COMPANY NUMBER: 1021421



GRANTS HOTEL LIMITED

REPORT AND ACCOUNTS
YEAR ENDED
30th JUNE 1997

AUDITORS
CLOUGH & COMPANY
CHARTFORD HOUSE
54, LITTLE HORTON LANE
BRADFORD
WEST YORKSHIRE
BD5 OBS

TEL: (01274) 735724
FAX: (01274) 370764

AUDITORS' REPORT TO GRANTS HOTEL LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 6 together with the full financial statements of the company for the year ended 30th June 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 (5) and (6) of the Act to the Registrar of Companies and whether the accounts are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts in accordance with sections 246 (5) and (6), and the abbreviated accounts on pages 2 to 6 have been properly prepared in accordance with those provisions.



CLOUGH & COMPANY
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
29TH APRIL 1998

Chartford House,
54, Little Horton Lane,
BRADFORD, BD5 0BS

COMPANY NO. 1021421
ABBREVIATED BALANCE SHEET **as at 30th JUNE**

	Note		1997		1996
FIXED ASSETS					
Intangible assets	2		-		1000
Tangible assets	3		1485452		1482466
			1485452		1483466
CURRENT ASSETS					
Stocks		14266		10779	
Debtors		91552		84495	
Cash in hand and at bank		10778		14922	
		116596		110196	
CREDITORS - amounts falling due within one year		114295		180073	
NET CURRENT ASSETS/(LIABILITIES)			2301		(69877)
TOTAL ASSETS LESS CURRENT LIABILITIES			1487753		1413589
CREDITORS - amounts falling due after more than one year	4	764989		793422	
PROVISIONS FOR LIABILITIES AND CHARGES		7898	(772887)	-	(793422)
NET ASSETS			£714866		£620167
CAPITAL AND RESERVES					
Called up share capital	5		1000		1000
Revaluation reserve			403686		403686
Profit and loss account			310180		215481
EQUITY SHAREHOLDERS' FUNDS			£714866		£620167

The accompanying notes form part of these abbreviated accounts.

In preparing the abbreviated accounts the directors have taken advantage of the provisions of part VII of the Companies Act 1985 applicable to small companies.

APPROVED BY THE BOARD ON THE 22nd April 1998

H.S. WOOD

P.J. GREEN
DIRECTORS

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1997

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards.

The accounting policies, for dealing with items judged material or critical, in stating the results for the year and the financial position of the company, are:-

a) BASIS OF ACCOUNTING
The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of certain fixed assets, and include the results of the activities described in the directors report, all of which are continuing.

b) TANGIBLE FIXED ASSETS
Tangible fixed assets are stated at cost less depreciation or at valuation. All assets, except land and buildings, are depreciated on a reducing balance basis at the following rates:

Motor vehicles	- 25% per annum
Fixtures and fittings	- 15% per annum

Land and buildings
It is the company's practice to maintain freehold and leasehold property in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly the directors consider that the lives of these assets are so long and residual values, based on the prices prevailing at the time of acquisition or subsequent revaluation, are so high that depreciation is calculated as being nil. Any permanent diminution in the value of such properties will be charged to the profit and loss account as appropriate.

Assets shown at valuation are valued annually by the directors and periodically by independent firms of chartered surveyors.

c) GOODWILL
Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate value of its separable net assets. It is being written off in equal annual instalments over its estimated economic life of five years.

d) STOCKS
Stocks are valued at the lower of cost and net realisable value.

e) DEFERRED TAXATION
Provision is made for deferred taxation, using the liability method, in respect of material timing differences not expected to continue in the future.

f) PENSION FUNDING
The company operates a defined contribution pension scheme for certain employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

g) LEASES
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

2. INTANGIBLE FIXED ASSETS

	Goodwill
COST	
At 1st July 1996 and 30th June 1997	£5000
AMORTISATION	
At 1st July 1996	4000
Provided during the year	1000
At 30th June 1997	£5000
NET BOOK VALUE - 1997	£ -
NET BOOK VALUE - 1996	£1000

3. TANGIBLE FIXED ASSETS

	Freehold Property	Long Leasehold Property	Fixtures and Fittings	Motor Vehicles	Total
COST OR VALUATION					
At 1st July 1996	751723	648277	124205	6380	1530585
Additions during the year	-	-	16005	-	16005
At 30th June 1997	751723	648277	140210	6380	£1546590
DEPRECIATION					
At 1st July 1996	-	-	45356	2763	48119
Charge for the year	-	-	12213	806	13019
At 30th June 1997	-	-	57569	3569	£61138
NET BOOK VALUE - 1997	751723	648277	82641	2811	£1485452
NET BOOK VALUE - 1996	751723	648277	78849	3617	£1482466

The net book value of properties comprises:	1997	1996
Freehold	751723	751723
Long leasehold	648277	648277
	£1400000	£1400000

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

3. TANGIBLE FIXED ASSETS (CONTINUED)

The amount of revalued properties as determined according to the historical cost accounting is:

	Freehold		Leasehold	
	1997	**1996**	**1997**	**1996**
Cost	£534966	£534966	£461348	£461348

If the properties were sold at their valuation, a tax liability of approximately £85,000 would arise.

The properties were revalued by the directors having received advice from chartered surveyors in June 1995.

4. CREDITORS - amounts falling due after more than one year

Loans (note 12a)	£764989	£793422
a) Loans -		
Wholly repayable within five years:		
Other loans	-	6500
Not wholly repayable within five years:		
Loans from connected undertakings	764989	786922
	£764989	£793422
Amounts repayable within five years other than by instalments	-	6500
Amounts repayable after five years other than by instalments	764989	786922
	£764989	£793422

The loans from connected undertakings are interest free.

5. SHARE CAPITAL

	Authorised, Issued and Fully Paid 1997 and 1996
Ordinary shares of £1 each	£1000

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

6. RELATED PARTY TRANSACTIONS

A director, Mr. H.S. Wood, has an interest in the following loans and transactions with H.S. Wood (Textiles) Limited by virtue of his shareholdings. The loans are repayable after more than five years and free of interest.

	1997	1996
Loans from	£764989	£403422
Management charges payable to	£46687	£54597

7. CONTINGENT LIABILITIES

The company is party to certain banking guarantees. The maximum liability which could have arisen under such guarantees at 30th June 1997 was £739,621.

8. CONTROL OF THE COMPANY

The company is not under the control of any one individual.