COMPANY NO. 1021421

GRANTS HOTEL LIMITED

ABBREVIATED REPORT AND ACCOUNTS
YEAR ENDED
30TH JUNE 1998

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

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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 5 together with the full financial statements of the company for the year ended 30th June 1998 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 5 have been properly prepared in accordance with those provisions.



CLOUGH & COMPANY
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
26TH APRIL 1999

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

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

	Note	1998		1997	
FIXED ASSETS					
Tangible assets	2		1496501		1485452
CURRENT ASSETS					
Stocks		15037		14266	
Debtors		114913		91552	
Debtors due after more than one year		120420		-	
Cash in hand and at bank		39321		10778	
		289691		116596	
CREDITORS - amounts falling due within one year		134287		114295	
NET CURRENT ASSETS			155404		2301
TOTAL ASSETS LESS CURRENT LIABILITIES			1651905		1487753
CREDITORS - amounts falling due after more than one year	3	907020		764989	
PROVISIONS FOR LIABILITIES AND CHARGES		12900	(919920)	7898	(772887)
NET ASSETS			£731985		£714866
CAPITAL AND RESERVES					
Called up share capital	4		1000		1000
Revaluation reserve			403686		403686
Profit and loss account			327299		310180
EQUITY SHAREHOLDERS' FUNDS			£731985		£714866

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 20 April 1999

H.S. WOOD

P.J. GREEN
DIRECTORS

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1998

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

d) 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.

e) 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. TANGIBLE FIXED ASSETS

	Freehold Property	Long Leasehold Property	Fixtures and Fittings	Motor Vehicles	Total
COST OR VALUATION					
At 1st July 1997	751723	648277	140211	6380	1546591
Additions during the year	-	2000	23309	-	25309
At 30th June 1998	751723	650277	163520	6380	£1571900
DEPRECIATION					
At 1st July 1997	-	-	57570	3569	61139
Charge for the year	-	-	13632	628	14260
At 30th June 1998	-	-	71202	4197	£75399
NET BOOK VALUE - 1998	751723	650277	92318	2183	£1496501
NET BOOK VALUE - 1997	751723	648277	82641	2811	£1485452

The net book value of properties comprises:	1998	1997
Freehold	751723	751723
Long leasehold	650277	648277
	£1402000	£1400000

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

	Freehold		Leasehold	
	1998	1997	1998	1997
Cost	£534966	£534966	£463348	£461348

If the properties were sold at their valuation, a tax liability of approximately £79,050 would arise.

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

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

3. CREDITORS

	1998	1997
Loans	£907020	£764989
Not wholly repayable within five years:		
Loans from connected undertakings	£907020	£764989
Amounts repayable after five years other than by instalments	£907020	£764989

The loans from connected undertakings are interest free.

4. SHARE CAPITAL

	Authorised, Issued and Fully Paid 1998 and 1997
Ordinary shares of £1 each	£1000

5. 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 are free of interest.

	1998	1997
Loans from	£907020	£764989
Management charges payable to	£80457	£46687

6. CONTINGENT LIABILITIES

The company is party to certain banking guarantees. The maximum liability which could have arisen under such guarantees at 30th June 1998 was £634,360.

7. CONTROL OF THE COMPANY

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