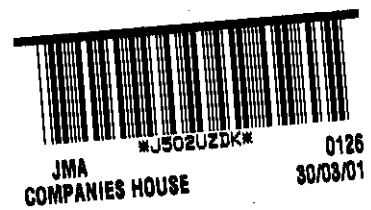


QUAY INNS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST MAY 2000

Registered number: ~~2548196~~

3485196

CALDWELL CROMPTON
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
Heswall, Wirral



QUAY INNS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st May 2000

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QUAY INNS LIMITED

**Auditors' report to
Quay Inns Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 4, together with the financial statements of the company for the year ended 31st May 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

30th March 2001
Heswall, Wirral

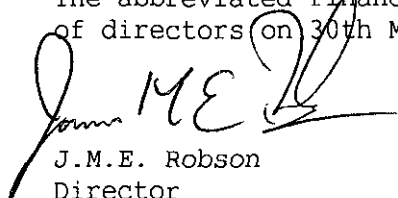

Caldwell Crompton
Registered Auditors
Chartered Accountants

QUAY INNS LIMITED
ABBREVIATED BALANCE SHEET
at 31st May 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	2	104,531	121,337
Current assets			
Stocks		9,969	8,415
Debtors		3,331	2,285
Cash at bank and in hand		7,346	9,122
		<u>20,646</u>	<u>19,822</u>
Creditors: amounts falling due within one year		<u>(72,633)</u>	<u>(76,356)</u>
Net current liabilities		(51,987)	(56,534)
Total assets less current liabilities		<u>52,544</u>	<u>64,803</u>
Creditors: amounts falling due after more than one year	3	<u>(252,093)</u>	<u>(252,093)</u>
		<u>(199,549)</u>	<u>(187,290)</u>
Capital and reserves			
Called up share capital	4	50,000	50,000
Profit and loss account		<u>(249,549)</u>	<u>(237,290)</u>
Total shareholders' funds		<u>(199,549)</u>	<u>(187,290)</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors on 30th March 2001 and signed on its behalf by:


J.M.E. Robson
Director

QUAY INNS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st May 2000

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Intangible fixed assets

Goodwill represents the difference between the fair value of the consideration paid on acquisition of a business and the fair value of its separable net assets at the date of acquisition. Goodwill written off on acquisition.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	over the unexpired term of the lease
Equipment	5% straight line method and 25% reducing balance method
Motor vehicles	25% reducing balance method
Fixtures and fittings	5% straight line method

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

QUAY INNS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st May 2000

2 Fixed assets

Cost	Tangible fixed assets £	Total £
1st June 1999	136,991	136,991
Additions	1,196	1,196
Disposals	(15,599)	(15,599)
31st May 2000	<u>122,588</u>	<u>122,588</u>
Depreciation		
1st June 1999	15,654	15,654
Charge for year	8,652	8,652
Disposals	(6,249)	(6,249)
31st May 2000	<u>18,057</u>	<u>18,057</u>
Net book amount		
31st May 2000	<u>104,531</u>	<u>104,531</u>
1st June 1999	<u>121,337</u>	<u>121,337</u>

3 Creditors:

	2000 £	1999 £
Secured creditors		
Aggregate secured creditors (all due within one year)	<u>13,406</u>	<u>20,521</u>

4 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
Shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>