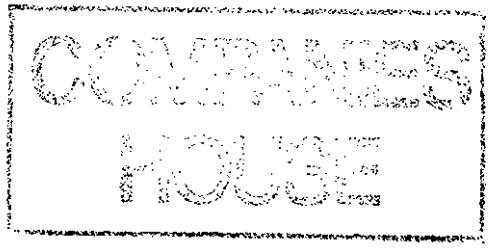
Company Number: 01720367

ACCOMMODATIONS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997



ROYCE PEELING GREEN
CHARTERED ACCOUNTANTS
HILTON CHAMBERS
15 HILTON STREET
MANCHESTER
M1 1JL



AUDITOR'S REPORT TO ACCOMMODATIONS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 5 together with the financial statements of the company for the year ended 30th September 1997 prepared under Section 226 of the Companies Act 1985 .

Respective responsibilties of the 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 sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts 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 consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 5 are properly prepared in accordance with those provisions.

Other information

On 2nd April 1998 we reported as auditors to the shareholders of the company on the financial statements prepared under section 226 of the Companies Act 1985 and our report included the following paragraph:

> We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.
>
> **Respective responsibilities of directors and auditors**
>
> As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibilty to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

AUDITOR'S REPORT TO ACCOMMODATIONS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

As explained in note 1 to the financial statements, Statement of Standard Accounting Practice No.19, Accounting for Investment Properties, has not been complied with in relation to rhe valuation of leasehold property. As there is no requirement under the standard to depreciate investment properties this non-compliance has had no effect on the reported profit.

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements with regard to the solvency of the company. The financial statements have been prepared on a going concern basis which depends on the continuing support of the holding company, as described in note 1. Our opinion is not qualified in this regard.

Opinion

Except for the matter referred to above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ROYCE PEELING GREEN
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

HILTON CHAMBERS
15 HILTON STREET
MANCHESTER
M1 1JL

2nd April 1998

ACCOMMODATIONS LIMITED

ABBREVIATED BALANCE SHEET AS AT 30TH SEPTEMBER 1997

	Notes	1997		1996	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	2		55,868		55,948
Current Assets					
Debtors		19,218		18,343	
Cash at bank and in hand		10,523		15,069	
		29,741		33,412	
Creditors:					
Amounts falling due within one year		(120,759)		(132,192)	
Net Current (Liabilities)			(91,018)		(98,780)
Total Assets Less Current Liabilities			(35,150)		(42,832)
Capital and Reserves					
Equity Interests					
Share capital	3		10,336		10,336
Profit and loss account			(45,486)		(53,168)
TOTAL SHAREHOLDERS' FUNDS			(35,150)		(42,832)

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

These accounts were approved by the board on 27th March 1998.

J.S. Calvert

DIRECTOR

The notes on pages 4 to 5 form part of these abbreviated accounts

1 PRINCIPAL ACCOUNTING POLICIES

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land, over their expected useful lives. The rates generally applicable are:

Improvement to Property	10% Straight Line

It is the opinion of the directors that the residual value of the company's freehold property is sufficiently high to make any depreciation charge immaterial. The directors have based their estimates of residual values on prices prevailing at the time of the acquisition . Where residual values are lower than cost depreciation is charged to the profit and loss account.

Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

Investment Properties

Land and buildings represent long leasehold investment properties and are stated at historical cost less provisions for permanent diminution in value. This constitutes a departure from SSAP 19 under which investment properties must be stated in the balance sheet at open market value. The directors are of the opinion that, in order to comply with the requirements of the SSAP, needless expenditure would be incurred without any corresponding benefit to the company. As there is no requirement to depreciate investment properties under SSAP 19 this departure has had no effect on the reported profit for the year.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view because the properties are held for investment rather than consumption and systematic annual depreciation would not be appropriate. Depreciation or amortisation is only one of the many factors reflected in the value of these properties and the amount which might otherwise be shown cannot be separately identified or quantified.

Going Concern Basis

The financial statements have been prepared on a going concern basis. The validity of this basis relies on the continuing support of the holding company. In the opinion of the Directors this support will continue for the foreseeable future.

2 TANGIBLE FIXED ASSETS

	Property	Improvement to Property	Total
	£	£	£
Cost	55,412	2,296	57,708
At 30th September 1997 and 30th September 1996	55,412	2,296	57,708
Depreciation			
At 1st October 1996	-	1,760	1,760
Charged for the year	-	80	80
At 30th September 1997	-	1,840	1,840
Net Book Value			
At 30th September 1997	55,412	456	55,868
At 30th September 1996	55,412	536	55,948

3 SHARE CAPITAL

Authorised	Number	£
Ordinary Shares of £1 Each	50,000	50,000

Allotted, issued and fully paid	Number	£
Ordinary Shares of £1 Each	10,336	10,336

4 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Harmby Properties Limited, a company registered in England.