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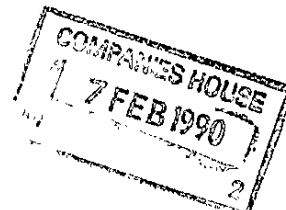
GREAT FOSTERS (1931) LIMITED

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FINANCIAL STATEMENTS

for the year ended 31st March 1989

BOLTON COLBY
Chartered Accountants
Fairfield House,
Fairfield Avenue,
Staines, Middx.



GREAT FOSTERS (1931) LIMITED

Directors:

J.H.V. Sutcliffe	G.H. Fletcher
R.S. Brownless	J.P. Raison
J.E. Baumann	Mrs. F.A. Plummer
J.H. Field	R.H.M. Raison
J.R.B. Sutcliffe	

The Directors present their report and the financial statements of the company for the year ended 31st March 1989, which were approved by the Board of Directors on 6th September 1989.

Activities
and Review of
the Business

The business of the company is the operation of an hotel and catering establishment which has been carried on throughout the year without change.

Work on the Orangery commenced in the fourth quarter of the previous financial year and is due to be complete by October 1989.

Profit and
Appropriation

The profit for the year after taxation amounts to £232536 which it is proposed to retain in the business to add to the capital required for development and no payment of a dividend is recommended.

Fixed Assets

A summary of the fixed assets, and of the changes thereto during the year, is given in note 7 to the financial statements on page 9.

Directors

The names of the Directors at the date of the Report are shown above.

Messrs. R.S. Brownless, J.P. Raison and G.H. Fletcher retire by rotation in accordance with S80 of the company's articles, and being eligible offer themselves for re-election.

GREAT FOSTERS (1931) LIMITEDDirectors' Interests in Shares

The Directors interests (as defined by the Companies Act 1985) in the share capital of the company were as follows:-

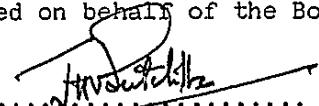
	<u>31.3.1989</u>	<u>31.3.1988</u>
G.H. Fletcher	-	2
J.H.V. Sutcliffe	-	3720
R.S. Brownless	-	4957
J.P. Raison	-	3718
J.E. Baumann	-	-
Mrs. F.A. Plummer (Appointed 20.1.1988)	-	-
J.H. Field (Appointed 20.1.1988)	1656	-
R.H.M. Raison (Appointed 20.1.1988)	1656	413
J.R.B. Sutcliffe (Appointed 20.1.1988)	1242	-

At 31st March 1989 Mrs. F.A. Plummer held 3312 in a non-beneficial capacity. (At 31st March 1988 G.H. Fletcher held 413 shares and J.P. Raison held 1653 shares respectively in a non-beneficial capacity).

Auditors

The Auditors, Bolton Colby, offer themselves for re-appointment in accordance with Section 384 (1), Companies Act 1985.

Signed on behalf of the Board



 J.H.V. Sutcliffe
Chairman

Egham,
Surrey.
6th September 1989.

AUDITORS' REPORT TO THE MEMBERS OF

GREAT FOSTERS (1931) LIMITED

We have audited the financial statements on pages 4 to 10 in accordance with approved auditing standards. The financial statements have been prepared in accordance with the accounting policies set out in note 1.

We have relied upon a professional stocktaking and the expertise and skills of the manager in arriving at the certified values of stock. We did not attend the stocktaking.

Subject to the above, in our opinion, the financial statements give a true and fair view of the state of financial affairs of the company at 31st March 1989 and of the results and source and application of funds of the company for the year ended on that date and comply with the Companies Act 1985.

Fairfield House,
Fairfield Avenue,
Staines, Middlesex.
6th September 1989.

BOLTON COLBY
Chartered Accountants

GREAT FOSTERS (1931) LIMITED

Profit and Loss Account
for the year ended 31st March 1989

	<u>1989</u>	<u>1'</u>
<u>Note</u>		
<u>Turnover</u> (wholly arising in the United Kingdom) (1e)	<u>£1702685</u>	<u>£1532895</u>
Gross Profit	1273601	1134691
Operating Expenses	<u>973091</u>	<u>850032</u>
Operating Profit (2)	300510	284659
Other Operating Income	22754	8635
Bank and Other Interest Receivable	<u>36212</u>	<u>48508</u>
Profit on Ordinary Activities before Taxation	359476	341802
Tax on Profit on Ordinary Activities (4)	(126940)	(124008)
Profit on Ordinary Activities after Taxation	232536	217794
Retained Profit at 1st April 1988	<u>993383</u>	<u>775589</u>
Retained Profit at 31st March 1989	<u>£1225919</u>	<u>£993383</u>

GREAT FOSTERS (1931) LIMITED

Balance Sheet at 31st March 1989

	<u>Note</u>	<u>1987</u>	<u>1988</u>
<u>Fixed Assets</u>			
Tangible Assets	(7)	1471851	454997
<u>Current Assets</u>			
Stocks at Cost	(1c & 8)	78407	82849
Debtors	(9)	172089	123893
Cash at Bank and in Hand		<u>1325</u>	<u>668836</u>
		251821	875578
<u>Creditors</u>			
Amounts falling due within one year	(10)	<u>418631</u>	<u>277160</u>
<u>Net Current (Liabilities)/Assets</u>		<u>(166810)</u>	<u>598418</u>
<u>Total Assets less Current Liabilities</u>		1305041	1053415
<u>Provision for Liabilities and Charges</u>			
Deferred Taxation	(1d & 4b)	<u>59250</u>	<u>40200</u>
<u>Total Net Assets</u>		<u>£1245791</u>	<u>£1013215</u>
Financed by:-			
<u>Capital and Reserves</u>			
Called up Share Capital	(11)	19872	19832
Profit and Loss Account - Retained Profit (Page 4)		1225919	993383
.....) J.H.V. Sutcliffe))))))))) Directors			
		<u>£1245791</u>	<u>£1013215</u>

GREAT FOSTERS (1931) LIMITEDSource and Application of Funds for the year ended 31st March 1989

	<u>1989</u>	<u>1988</u>
<u>Source of Funds</u>		
Profit for the year before taxation	359476	341802
Items not involving the movement of funds -		
Depreciation	<u>36087</u>	<u>39881</u>
Total Generated from Operations	395563	381683
Funds from Other Sources		
Disposal of Fixed Assets	3750	-
Issue of Share Capital	<u>40</u>	<u>-</u>
	<u>£399353</u>	<u>£381683</u>

Application of Funds

Purchase of Fixed Assets	1056691	63241
Payment of Corporation Tax	<u>120390</u>	<u>77708</u>
	1177081	140949
Changes in Working Capital		
(Decrease)/Increase in Stocks	(4442)	<u>4096</u>
Increase/(Decrease) in Debtors	48196	(9760)
(Increase) in Creditors	<u>(52303)</u>	<u>(28178)</u>
	<u>(8549)</u>	<u>(33842)</u>
	<u>£1168532</u>	<u>£107107</u>

Movement of Net Liquid Funds

(Decrease) in Cash and Bank Balances	<u>(£769179)</u>	<u>£274576</u>
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GREAT FOSTERS (1931) LIMITED
Notes to the Financial Statements
for the year ended 31st March 1989

1. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are given below:-

a) Historical Cost Convention

The financial statements are prepared under the historical cost convention.

b) Depreciation

Expenditure on the acquisition of assets is being written off on a straight line basis as follows:-

	<u>Per Annum</u>
Alterations and Additions to Premises	5%
Furniture and Equipment	10%
Motor Vehicles	20%

No depreciation is provided on assets in course of construction. Any under or over provision of depreciation on disposal is adjusted in the charge for the year.

c) Stock

Stock has been valued by a professional valuer and the manager at cost.

d) Deferred Taxation

Provision has been made in the financial statements for taxation deferred as a result of capital allowances for tax purposes exceeding depreciation charged in the financial statements in respect of those assets qualifying for such allowances.

e) Turnover

Turnover represents the charges made for goods supplied and services rendered exclusive of value added tax.

GREAT FOSTERS (1931) LIMITEDNotes to the Financial Statements (Continued)for the year ended 31st March 1989

	<u>1989</u>	<u>1988</u>
2. <u>Operating Profit</u>		
The Operating Profit is stated after charging:-		
Directors' Remuneration	£36640	£31600
Auditors' Remuneration	£2491	£2053
Provision for Depreciation	£36087	£39881
Hire of Equipment	£11984	£9340
Interest Paid		
Bank Interest	£644	£304
Other Interest	£150	-
3. <u>Staff Costs</u>		
Wages and Salaries	568175	444276
Social Security Costs	38937	34805
Other Pension Costs	8761	5301
	<u>£537999</u>	<u>£484382</u>
The average number of employees including casuals during the year was	97	96
4. <u>Taxation</u>		
a)		
Estimated Corporation Tax on the profits of the year calculated at the full corporation tax rate of 35% less marginal relief (payable 1st January 1990)	107500	120000
Transferred to Deferred Taxation Account	<u>19050</u>	<u>6300</u>
	126550	126300
Adjustment to Previous Year's Liability	<u>390</u>	<u>(2292)</u>
	<u>£126940</u>	<u>£124008</u>
b) <u>Deferred Taxation - £59250</u>		
This relates to accelerated capital allowances at 33.65% (1988 - 34.14%). Movements on this account during the year were as follows:-		
Provision at 1st April 1988	40200	33900
Charge for the year (Note 4a)	<u>19050</u>	<u>6300</u>
Provision at 31st March 1989	<u>£59250</u>	<u>£40200</u>

GREAT FOSTERS (1931) LIMITEDNotes to the Financial Statements (Continued)for the year ended 31st March 19895. Directors' Interests in Transactions

During the year the company has incurred expenditure of £105918 (1988 - £49518) in the ordinary course of business on the maintenance of the premises occupied by the company and held by Trustees on behalf of individuals who are also the holders of all the issued share capital of the company. Mr. J.H. Field, Mr. R.H.M. Raison and J.R.B. Sutcliffe are beneficially interested in the share capital of the company.

The company also purchased during the course of the year a motor vehicle from Mr. J.E. Baumann, a director of the company for £8000. This transaction took place at market value in the ordinary course of business.

6. Loan to Director

At 31st March 1989 there was a residual amount of £5298 outstanding on a house-purchase loan made to Mr. J.E. Baumann prior to his appointment to the Board. The Loan is secured by a charge on the house and a life policy. The amount of £6266 outstanding at 1st April 1988 was the maximum liability during the year.

7. Fixed AssetsTangible Assets

	<u>Motor Vehicle</u>	<u>Alterations and Additions to Premises</u>	<u>Boilers</u>	<u>Furniture and Equipment</u>	<u>Assets in Course of Construction</u>	<u>Total</u>
<u>Cost</u>						
1st April 1988	4850	463737	30239	237665	110356	846847
Additions	14669	-	-	35839	1006183	1056691
Disposal	(4850)	-	-	-	-	(4850)
31st March 1989	<u>£14669</u>	<u>£463737</u>	<u>£30239</u>	<u>£273504</u>	<u>£1116539</u>	<u>£1898688</u>
<u>Depreciation</u>						
1st April 1988	1940	178652	30238	181020	-	391850
Charge for year	2099	23148	-	10840	-	36087
Disposal	(1100)	-	-	-	-	(1100)
31st March 1989	<u>£2939</u>	<u>£201800</u>	<u>£30238</u>	<u>£191860</u>	<u>-</u>	<u>£426837</u>
<u>Net Book Value</u>						
31st March 1989	<u>£11730</u>	<u>£261937</u>	<u>£1</u>	<u>£81644</u>	<u>£1116539</u>	<u>£1471851</u>
31st March 1988	<u>£2910</u>	<u>£285005</u>	<u>£1</u>	<u>£56645</u>	<u>£110356</u>	<u>£454997</u>

GREAT FOSTERS (1931) LIMITEDNotes to the Financial Statements (Continued)for the year ended 31st March 1989

	<u>1 89</u>	<u>1988</u>
8. <u>Stocks</u>		
Wines, Liquor and Tobacco	62876	66757
Dry Food and Kitchen Stores	6365	6720
Sundry Stocks	9166	9372
	<u>£78407</u>	<u>£82849</u>
9. <u>Debtors</u>		
Trade Debtors	157833	111651
Other Debtors	8509	7672
Prepayments	5748	4570
	<u>£172089</u>	<u>£123893</u>
10. <u>Creditors</u>		
Amounts falling due within one year		
Trade Creditors	72971	64603
Social Security and Other Taxes	16719	43638
Other Creditors	28372	19773
Accruals	91401	29146
	<u>209463</u>	<u>157160</u>
Taxation (Note 4)	107500	120000
Bank Overdraft	101668	-
	<u>£418631</u>	<u>£277160</u>
11. <u>Share Capital</u>		
Authorised		
20000 shares of £1 each	<u>£20000</u>	<u>£20000</u>
Issued and Fully Paid		
19872 shares of £1 each	<u>£19872</u>	<u>£19832</u>
During the year forty £1 shares were issued during the year at par as part of a re-organisation of the company's shareholdings.		
12. <u>Future Capital Expenditure</u> for which no provision has been made in these accounts is as follows:-		
Committed	£365000	£873600
Authorised but not contracted for	£61000	nil