

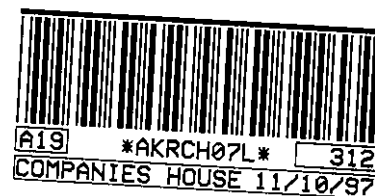
GREAT FOSTERS (1931) LIMITED

COMPANY NUMBER 254708

**ANNUAL REPORT
AND
ACCOUNTS**

for the year ended 31st March 1997

BOLTON COLBY
Chartered Accountants
Fairfield House
Fairfield Avenue
Staines Middlesex



GREAT FOSTERS (1931) LIMITED

Directors:

J.H.V. Sutcliffe CBE; DL (Chairman)
 J.E. Baumann (General Manager)
 Mrs. J.E. Barrett
 Mrs. P.M. Nicolai
 Mrs. F.A. Plummer
 J.P. Raison
 R.H.M. Raison
 A.H.W. Sutcliffe
 J.R.B. Sutcliffe
 M.D.C. Sutcliffe
 Ms V.M. Raison (appointed 9.9.1996)
 Mrs H.C. Williams (appointed 9.9.1996)

The Directors present their report and the accounts for the year ended 31st March 1997.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus/deficit of the company for that period. In preparing those accounts, the Directors are required to:-

- (i) select suitable accounting policies and apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent; and
- (iii) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Future Development

The Directors will continue to operate their existing management policies and look for an improved result in the year to 31st March 1998.

(Loss)/Profit and Appropriation

The loss for the year after taxation amounts to £137,864 and the directors propose that no dividend should be paid.

GREAT FOSTERS (1931) LIMITED

Fixed Assets

A summary of the fixed assets, and of the changes thereto during the year, is given in note 5 to the accounts on page 9.

Directors

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

Messrs. J.H.V. Sutcliffe; CBE; DL, J.E. Baumann, Mrs. P.M. Nicolai and M.D.C. Sutcliffe retire by rotation in accordance with Section 80 of the company's articles, and being eligible offer themselves for re-election.

Directors' Interests in Shares

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

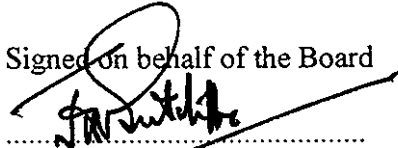
	£1 Ordinary Shares	
	<u>31.3.1997</u>	<u>31.3.1996</u>
Mrs. J.E. Barrett	1656	1656
Mrs. P.M. Nicolai	1656	1656
Mrs. F.A. Plummer	1656	1656
R.H.M. Raison	1656	1656
A.H.W. Sutcliffe	1242	1242
J.R.B. Sutcliffe	1242	1242
M.D.C. Sutcliffe	1242	1242
Ms. V.M. Raison	1656	
Mrs. H.C. Williams	1242	

At both dates the interests of Mrs. J.E. Barrett, Mrs. P.M. Nicolai and Mrs. F.A. Plummer were in a non-beneficial capacity.

Ms. V.M. Raison and Mrs. H.C. Williams were owners of the shares listed above on 9th September 1996 when they were appointed to the company's Board of Directors.

Auditors

The Auditors Bolton Colby, offer themselves for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

Signed on behalf of the Board

 J.H.V. Sutcliffe - Chairman

Egham
 Surrey
 8th September 1997

AUDITORS' REPORT TO THE MEMBERS OF

GREAT FOSTERS (1931) LIMITED

We have audited the accounts and related notes on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out in note 1 on page 7.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fairfield House
Fairfield Avenue
Staines Middlesex
8th September 1997



BOLTON COLBY
Registered Auditors
Chartered Accountants

GREAT FOSTERS (1931) LIMITED

Profit and Loss Account

for the year ended 31st March 1997

		<u>1997</u>	<u>1996</u>
	<i>Note</i>		
Turnover (wholly arising in the United Kingdom)	(1e)	2171786	2159716
Cost of Sales		<u>476761</u>	<u>492606</u>
Gross Profit		1695025	1667110
Operating Expenses - Administrative Expenses		1980254	1661271
Less : Other Operating Income		<u>(48535)</u>	<u>(57144)</u>
Net Operating Expenses		<u>1931719</u>	<u>1604127</u>
Operating (Loss)/Profit before Interest	(2)	(236694)	62983
Other Interest Receivable and Similar Income		<u>52993</u>	<u>42340</u>
(Loss)/Profit on Ordinary Activities before Taxation		(183701)	105323
Tax Recoverable/(Payable) on (Loss)/Profit on Ordinary Activities	(4a)	<u>45837</u>	<u>(24692)</u>
(Loss)/Profit for the financial year after Taxation		(137864)	80631
Retained Profit at 1st April 1996 brought forward		<u>1915752</u>	<u>1835121</u>
Retained Profit at 31st March 1997 carried forward		<u>£1777888</u>	<u>£1915752</u>

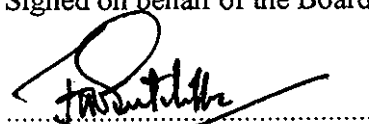
The operating (loss)/profit is derived wholly from continuing activities.

The company has no recognised gains or losses for the year other than those shown above and no adjustments are required to show the historical cost (loss)/profit for the year.

GREAT FOSTERS (1931) LIMITED**Balance Sheet***at 31st March 1997*

	<i>Note</i>	<u>1997</u>	<u>1996</u>
Fixed Assets			
Tangible Assets	(5)	1461324	1434425
Current Assets			
Stocks at Cost	(1c & 6)	64776	63089
Debtors	(7)	235463	165416
Investments	(8)	448572	448572
Cash at Bank and in Hand		<u>2500</u>	<u>256528</u>
		751311	933605
Creditors			
Amounts falling due within one year	(9)	<u>340975</u>	<u>346906</u>
Net Current Assets		<u>410336</u>	<u>586699</u>
Total Assets less Current Liabilities		1871660	2021124
Provision for Liabilities and Charges			
Pensions and Similar Obligations	(11)	-	3000
Deferred Taxation	(1d & 4b)	<u>73900</u>	<u>82500</u>
		<u>73900</u>	<u>85500</u>
Total Net Assets		<u>£1797760</u>	<u>£1935624</u>
Financed by:-			
Capital and Reserves			
Called up Share Capital	(10)	19872	19872
Profit and Loss Account			
Retained Profit (Page 4)		<u>1777888</u>	<u>1915752</u>
Shareholders' Funds	(13)	<u>£1797760</u>	<u>£1935624</u>

Signed on behalf of the Board


J.H.V. Sutcliffe

Approved by the Directors on 8th September 1997

GREAT FOSTERS (1931) LIMITED

Cash Flow Statement

for the year ended 31st March 1997

		<u>1997</u>	<u>1996</u>
	<i>Note</i>		
Cash Flow Statement			
Net Cash (Outflow)/Inflow from Operating Activities	(15)	(128730)	102414
Returns on Investments and Servicing of Finance	(14)	52993	42340
Taxation		(35234)	(20574)
Capital Expenditure and Financial Investment	(14)	(170683)	<u>(29327)</u>
(Decrease)/Increase in Cash	(16)	<u>(£281654)</u>	<u>£94853</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash in the year		<u>(281654)</u>	<u>94853</u>
Change in Net Debt	(16)	(281654)	94853
Net Debt at 31st March 1996		<u>705100</u>	<u>610247</u>
Net Debt at 31st March 1997	(16)	<u>£423446</u>	<u>£705100</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts

for the year ended 31st March 1997

1. Accounting Policies

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

a) Historical Cost Convention

The accounts 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 Improvements to Premises	5%
Furniture and Equipment	10%
Motor Vehicles	20%
Orangery	1%

Any under or over provision of depreciation on disposal is adjusted in the charge for the year.

c) Stocks

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

d) Deferred Taxation

Provision is made for deferred taxation arising on timing differences between tax allowances and related accounting treatment where these are expected to crystallise in the foreseeable future.

e) Turnover

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

f) Pension Plan

The company operates "personal pension plans", whereby the company agrees to pay for eligible employees, a defined contribution into the employee's own money purchase personal pension scheme. The pension charge represents contributions payable by the company for the year. The company's liability is limited to the amount of the contributions. The liability for meeting future pension payments rests solely with the employees' personal pension schemes.

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts (Continued)

for the year ended 31st March 1997

	<u>1997</u>	<u>1996</u>
2. Operating (Loss)/Profit		
Operating (Loss)/Profit is stated after charging:-		
a) Auditors' Remuneration	£3000	£3000
Hire of Equipment	£7865	£4047
Provision for Depreciation	£143784	£141600
Loss on Disposal of Fixed Assets	<u>-</u>	<u>£2651</u>
b) Directors' Emoluments		
Salaries	58334	47218
Other Emoluments/Benefits etc.	4045	2655
Aggregate contributions to money purchase pension schemes	26317	26559
Pension Paid to Former Director	<u>5000</u>	<u>5000</u>
	<u>£93696</u>	<u>£81432</u>
3. Staff Costs		
Wages and Salaries	710029	692915
Social Security Costs	43114	43272
Other Pension Contributions	<u>21201</u>	<u>20898</u>
	<u>£774344</u>	<u>£757085</u>
The average number of employees during the year was		
Full-time	64	65
Part-time	22	23
4. Taxation		
a) Current Year Corporation Tax credit at 25% (1996-charge at 25%)	(37200)	34800
Transfer from/to Deferred Taxation Account (Note 4b)	<u>(8600)</u>	<u>(10100)</u>
	(45800)	24700
Adjustment to Previous year's charge	<u>(37)</u>	<u>(8)</u>
(Credit)/Charge for the year	<u>(£45837)</u>	<u>£24692</u>

The credit for the year is subject to the agreement by the Inland Revenue of the claim for loss relief arising from the result for the year.

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts (Continued)

for the year ended 31st March 1997

4. Taxation (Continued)

b) Deferred Taxation

	<u>1997</u>	<u>1996</u>
This relates to accelerated capital allowances at 30% (1996-30%) on items which are expected to crystallise in the foreseeable future.		
Movements on this account during the year were as follows:-		
Provision at 1st April 1996	82500	92600
(Credit) for the year (Note 4a)	(8600)	(10100)
Provision at 31st March 1997	<u>£73900</u>	<u>£82500</u>

The full potential deferred tax liability is £155,500.

5. Fixed Assets

a) Tangible Assets	Motor Vehicles	Premises		Furniture and Equipment	Total
		Alterations and Additions	Orangery		
Cost					
1st April 1996	14669	552412	882529	1214432	2664042
Additions	-	108454	-	62229	170683
31st March 1997	<u>£14669</u>	<u>£660866</u>	<u>£882529</u>	<u>£1276661</u>	<u>£2834725</u>
Depreciation					
1st April 1996	14669	381085	61116	772747	1229617
Charge for the year	-	23662	8825	111297	143784
31st March 1997	<u>£14669</u>	<u>£404747</u>	<u>£69941</u>	<u>£884044</u>	<u>£1373401</u>
Net Book Value					
31st March 1997	-	£256119	£812588	£392617	£1461324
31st March 1996	-	£171327	£821413	£441685	£1434425

b) Directors' Interests in Transactions Relating to Fixed Assets

During the year the company incurred expenditure of £507,651 (1996 - £233,954) in the ordinary course of business on the maintenance of premises occupied by the company and held by Trustees on behalf of persons who are also the holders of all the issued share capital of the company. In addition the company paid the Trust rent of £72,000 (1996 - £48,000) for the use of these premises. Mr. R.H.M. Raison, Mr. J.R.B. Sutcliffe, Mr. A.H.W. Sutcliffe, Mr. M.D.C. Sutcliffe, Ms. V.M. Raison and Mrs. H.C. Williams are beneficially interested in the share capital of the company.

GREAT FOSTERS (1931) LIMITED**Notes to the Accounts (Continued)***for the year ended 31st March 1997*

	<u>1997</u>	<u>1996</u>
6. Stocks		
Wines, Liquors and Tobacco	49731	49139
Dry Food and Kitchen Stores	9655	8451
Sundry Stocks	<u>5390</u>	<u>5499</u>
	<u>£64776</u>	<u>£63089</u>
7. Debtors		
Trade Debtors	132212	153048
Other Debtors	28640	9585
Prepayments	30285	2783
Taxation	<u>44326</u>	<u>-</u>
	<u>£235463</u>	<u>£165416</u>
8. Investments		
Listed Government Stock	448572	348899
Acquired during the year at cost	<u>-</u>	<u>99673</u>
	<u>£448572</u>	<u>£448572</u>
Market Value at 31st March 1997	<u>£462074</u>	<u>£456808</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts (Continued)

for the year ended 31st March 1997

	<u>1997</u>	<u>1996</u>
9. Creditors		
Amounts falling due within one year		
Bank Overdraft	27626	-
Trade Creditors	74069	65989
Social Security and Other Taxes	15574	23945
Other Creditors	108587	156531
Accruals	115119	72296
Taxation	-	28145
	<u>£340975</u>	<u>£346906</u>
10. Share Capital		
Authorised		
20000 Shares of £1 each	<u>£20000</u>	<u>£20000</u>
Allotted, Called Up and Fully Paid		
19872 Shares of £1 each	<u>£19872</u>	<u>£19872</u>
11. Provisions for Liabilities and Charges		
Pension Costs	-	<u>£3000</u>
12. Interest Received		
Bank Deposit Interest	18365	16269
Interest on Government Stock	<u>34628</u>	<u>26071</u>
	<u>£52993</u>	<u>£42340</u>
13. Reconciliation of movements in shareholders' funds		
Opening shareholders' funds	1935624	1854993
(Loss)/Profit for the financial year	<u>(137864)</u>	<u>80631</u>
Closing shareholders' funds	<u>£1797760</u>	<u>£1935624</u>

GREAT FOSTERS (1931) LIMITED**Notes to the Cash Flow Statement***for the year ended 31st March 1997*

	<u>1997</u>	<u>1996</u>	
14. Gross Cash Flows			
Returns on Investments and Servicing of Finance			
Interest Received	<u>£52993</u>	<u>£42340</u>	
Capital Expenditure			
Payments to Acquire Tangible Fixed Assets	(170683)	(29812)	
Receipts from Sales of Tangible Fixed Assets	<u>-</u>	<u>485</u>	
	<u>(£170683)</u>	<u>(£29327)</u>	
15. Reconciliation of Operating (Loss)/Profit to Net Cash (Outflow)/Inflow from Operating Activities			
Operating (Loss)/Profit (Page 4)	(236694)	62983	
Depreciation Charges	143784	144251	
(Increase) in Stocks	(1687)	(3543)	
(Increase) in Debtors	(25721)	(56459)	
(Decrease) in Creditors	(8412)	(44818)	
Net Cash (Outflow)/Inflow from Operating Activities	<u>(£128730)</u>	<u>£102414</u>	
16. Analysis of the Changes in Net Debt			
	At 1st <u>April 1996</u>	Cash Flows	At 31st <u>March 1997</u>
Cash at Bank and in Hand	256528	(254028)	2500
Bank Overdraft	-	(27626)	(27626)
Current Asset Investments	<u>448572</u>	<u>-</u>	<u>448572</u>
	<u>£705100</u>	<u>(£281654)</u>	<u>£423446</u>

During the year the company paid £2,100 to Mr. A.W.H. Sutcliffe for professional services rendered in the normal course of business by his legal practice.