

GREAT FOSTERS (1931) LIMITED

COMPANY NUMBER 254708

**ANNUAL REPORT
AND
ACCOUNTS**



for the year ended 31st March 1998

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
 Mrs H.C. Williams

The Directors present their report and the accounts for the year ended 31st March 1998.

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. The directors maintained their management policies and although the accounts show a loss for the year (see below), the directors are satisfied a foundation has been laid to enable the company to approach the new millennium with confidence.

Future Development

The Directors will continue to operate their existing management policies and look for an improved result in the year to 31st March 1999. They have considered the matter of computer software being "Year 2000 Compliant" and are confident sufficient steps have been taken to ensure this will not be a problem for the company.

(Loss)/Profit and Appropriation

The loss for the year after taxation amounts to £167,723 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. R.H.M. Raison, J.R.B. Sutcliffe, Mrs J.E. Barrett and Mrs F.A. Plummer 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>31.3.1998</u>	<u>31.3.1997</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	1656
Mrs. H.C. Williams	1242	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.

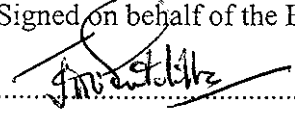
Tax Status

The company is not a close company within the meaning of the Income and Corporation Taxes Act 1988

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
 14th September 1998

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.

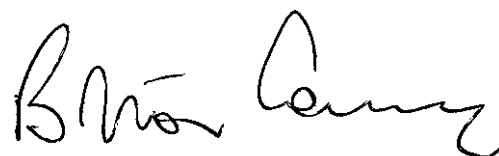
Basis of Opinion

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 1998 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
14th September 1998

BOLTON COLBY
Registered Auditors
Chartered Accountants

GREAT FOSTERS (1931) LIMITED

Profit and Loss Account

for the year ended 31st March 1998

		<u>1998</u>	<u>1997</u>
	<i>Note</i>		
Turnover (wholly arising in the United Kingdom)	(1e)	2266351	2171786
Cost of Sales		<u>484505</u>	<u>476761</u>
Gross Profit		1781846	1695025
Operating Expenses - Administrative Expenses		2061415	1980254
Less : Other Operating Income		(68631)	(48535)
Net Operating Expenses		<u>1992784</u>	<u>1931719</u>
Operating (Loss) before Interest	(2)	(210938)	(236694)
Other Interest Receivable and Similar Income		<u>36492</u>	<u>52993</u>
(Loss) on Ordinary Activities before Taxation		(174446)	(183701)
Tax Recoverable on (Loss) on Ordinary Activities	(4a)	<u>6,723</u>	<u>45837</u>
(Loss) for the financial year after Taxation		(167723)	(137864)
Retained Profit at 1st April 1997 brought forward		<u>1777888</u>	<u>1915752</u>
Retained Profit at 31st March 1998 carried forward		<u>£1610165</u>	<u>£1777888</u>

The operating (loss) 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) for the year.

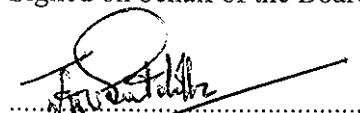
GREAT FOSTERS (1931) LIMITED

Balance Sheet

at 31st March 1998

	Note	<u>1998</u>	<u>1997</u>
Fixed Assets			
Tangible Assets	(5)	1465984	1461324
Current Assets			
Stocks at Cost	(1c & 6)	62981	64776
Debtors	(7)	144679	235463
Investments	(8)	199966	448572
Cash at Bank and in Hand		<u>219980</u>	<u>2500</u>
		627606	751311
Creditors			
Amounts falling due within one year	(9)	<u>390153</u>	<u>340975</u>
Net Current Assets		<u>237453</u>	<u>410336</u>
Total Assets less Current Liabilities		1703437	1871660
Provision for Liabilities and Charges			
Deferred Taxation	(1d & 4b)	<u>73400</u>	<u>73900</u>
Total Net Assets		<u>1630037</u>	<u>£1797760</u>
Financed by:-			
Capital and Reserves			
Called up Share Capital	(10)	19872	19872
Profit and Loss Account			
Retained Profit (Page 4)		<u>1610165</u>	<u>1777888</u>
Shareholders' Funds	(12)	<u>£1630037</u>	<u>£1797760</u>

Signed on behalf of the Board



J.H.V. Sutcliffe

Approved by the Directors on 14th September 1998

GREAT FOSTERS (1931) LIMITED

Cash Flow Statement

for the year ended 31st March 1998

		<u>1998</u>	<u>1997</u>
	<i>Note</i>		
Cash Flow Statement			
Net Cash Inflow/(Outflow) from Operating Activities	(14)	79689	(128730)
Returns on Investments and Servicing of Finance	(13)	36492	52993
Taxation		38962	(35234)
Capital Expenditure and Financial Investment	(13)	<u>(158643)</u>	<u>(170683)</u>
(Decrease) in Cash	(15)	<u>(£3500)</u>	<u>(£281654)</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
Change in Net Debt	(15)	(3500)	(281654)
Net Debt at 31st March 1997		<u>423446</u>	<u>705100</u>
Net Debt at 31st March 1998	(15)	<u>£419946</u>	<u>£423446</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts

for the year ended 31st March 1998

Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards.

1. Accounting Policies

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

a) Basis of Preparation

The accounts are prepared under the historical cost convention which takes no account of the effect of inflation.

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 and Office Extension	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 1998

	<u>1998</u>	<u>1997</u>
2. Operating (Loss)		
Operating (Loss) is stated after charging:-		
a) Auditors' Remuneration	£3500	£3000
Hire of Equipment	£17021	£7865
Provision for Depreciation	£153983	£143784
b) Directors' Emoluments		
Salaries	98200	58334
Other Emoluments/Benefits etc.	5267	4045
Aggregate contributions to money purchase pension schemes	61117	26317
Pension Paid to Former Director's Widow	<u>5000</u>	<u>5000</u>
	<u>£169584</u>	<u>£93696</u>

There is one director for whom a retirement benefit is accruing under a "money purchase" pension plan.

3. Staff Costs

Wages and Salaries	732206	710029
Social Security Costs	45554	43114
Other Pension Contributions	<u>25922</u>	<u>21201</u>
	<u>£803682</u>	<u>£774344</u>

The average number of employees during the year was

Full-time	65	64
Part-time	19	22

4. Taxation

a) Current Year Corporation Tax credit at 25% (1997- 25%)	(4661)	(37200)
Transfer from Deferred Taxation Account (Note 4b)	<u>(500)</u>	<u>(8600)</u>
	(5161)	(45800)
Adjustment to Previous year's credit	<u>(1562)</u>	<u>(37)</u>
(Credit) for the year	<u>(£6723)</u>	<u>(£45837)</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 1998

4. Taxation (Continued)

b) Deferred Taxation

	<u>1998</u>	<u>1997</u>
This comprises:-		
Accelerated Capital Allowance	101600	105900
Less Future Loss Relief	<u>(28,200)</u>	<u>-</u>
	<u>£73400</u>	<u>£105900</u>

Movements on this account during the year were as follows:-

Provision at 1st April 1997	73900	82500
(Credit) for the year (Note 4a)	<u>(500)</u>	<u>(8600)</u>
Provision at 31st March 1998	<u>£73400</u>	<u>£73900</u>

The directors have noted the company's changed circumstances since the policy of "partial provision at 30%" was introduced in the early 1990s. They now hold the view, following the Chancellor's Budget announcement on 17th March 1998, that when the deferred tax liability crystallises it will be at the rate of 20% and accordingly have refined the accounting policy to make full provision for the deferred liability at this lower rate. Had the former rate of 30% been applied the provision would have been £110,000.

5. Fixed Assets

a) Tangible Assets	Motor Vehicles	Premises		Furniture and Equipment	Total
		Alterations and Additions	Orangery		
Cost					
1st April 1997	£14669	£660866	£882529	£1276661	£2834725
Additions	-	26832	-	131811	158643
31st March 1998	<u>£14669</u>	<u>£687698</u>	<u>£882529</u>	<u>£1408472</u>	<u>£2993368</u>
Depreciation					
1st April 1997	£14669	£404747	£69941	£884044	£1373401
Charge for the year	-	24676	8825	120482	153983
31st March 1998	<u>£14669</u>	<u>£429423</u>	<u>£78766</u>	<u>£1004526</u>	<u>£1527384</u>
Net Book Value					
31st March 1998	-	£258275	£803763	£403946	£1465984
31st March 1997	-	£256119	£812588	£392617	£1461324

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts (Continued)

for the year ended 31st March 1998

5. Fixed Assets (Continued)

b) Directors' Interests in Transactions Relating to Fixed Assets

During the year the company incurred expenditure of £371,651 (1997 - £507,651) 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 (1997 - £72,000) 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.

6. Stocks	<u>1998</u>	<u>1997</u>
Wines, Liquors and Tobacco	46852	49731
Dry Food and Kitchen Stores	9898	9655
Sundry Stocks	<u>6231</u>	<u>5390</u>
	<u>£62981</u>	<u>£64776</u>
 7. Debtors		
Trade Debtors	99034	132212
Other Debtors	5788	28640
Prepayments	28270	30285
Taxation	<u>11587</u>	<u>44326</u>
	<u>£144679</u>	<u>£235463</u>
 8. Investments		
Listed Government Stock	448572	448572
Acquired during the year at cost	-	-
Matured during the year at cost	<u>(248606)</u>	<u>-</u>
	<u>£199966</u>	<u>£448572</u>
 Market Value at 31st March 1998	<u>£219265</u>	<u>£462074</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts (Continued)

for the year ended 31st March 1998

	<u>1998</u>	<u>1997</u>
9. Creditors		
Amounts falling due within one year		
Bank Overdraft	-	27626
Trade Creditors	56521	74069
Social Security and Other Taxes	29283	15574
Other Creditors	191792	108587
Accruals	112557	115119
Taxation	——-	——-
	<u>£390153</u>	<u>£340975</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. Interest Received		
Bank Deposit Interest	323	18365
Interest on Government Stock	34628	34628
Corporation Tax Repayment	<u>1541</u>	——-
	<u>£36492</u>	<u>£52993</u>
12. Reconciliation of movements in shareholders' funds		
Opening shareholders' funds	1797760	1935624
(Loss) for the financial year	<u>(167723)</u>	<u>(137864)</u>
Closing shareholders' funds	<u>£1630037</u>	<u>£1797760</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Cash Flow Statement

for the year ended 31st March 1998

	<u>1998</u>	<u>1997</u>
13. Gross Cash Flows		
Returns on Investments and Servicing of Finance		
Interest Received	<u>£36492</u>	<u>£52993</u>
Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	<u>(£158643)</u>	<u>(£170683)</u>
14. Reconciliation of Operating (Loss) to Net Cash (Outflow)/Inflow from Operating Activities		
Operating (Loss) (Page 4)	<u>(210938)</u>	<u>(236694)</u>
Depreciation Charges	<u>153983</u>	<u>143784</u>
Decrease/(Increase) in Stocks	<u>1795</u>	<u>(1687)</u>
Decrease/(Increase) in Debtors	<u>58045</u>	<u>(25721)</u>
Increase/(Decrease) in Creditors	<u>76804</u>	<u>(8412)</u>
Net Cash Inflow/(Outflow) from Operating Activities	<u>£79689</u>	<u>(£128730)</u>
15. Analysis of the Changes in Net Debt		
	At 1st <u>April 1997</u>	Cash <u>Flows</u> At 31st <u>March 1998</u>
Cash at Bank and in Hand	2500	217480 219980
Bank Overdraft	(27626)	27626 -
Current Asset Investments	<u>448572</u>	<u>(248606)</u> <u>199966</u>
	<u>£423446</u>	<u>(£3500)</u> <u>£419946</u>