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GREAT FOSTERS (1931) LIMITED

COMPANY NUMBER 254708

**ANNUAL REPORT
AND
ACCOUNTS**



for the year ended 31st March 1999

BOLTON COLBY
Chartered Accountants
Fairfield House
Fairfield Avenue
Staines Middlesex

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GREAT FOSTERS (1931) LIMITED

Directors:

J.H.V. Sutcliffe CBE; DL (Chairman)	R.H.M. Raison
J.E. Baumann	A.H.W. Sutcliffe
Mrs. J.E. Barrett	J.R.B. Sutcliffe
Mrs. P.M. Nicolai	M.D.C. Sutcliffe
Mrs. F.A. Plummer	Ms V.M. Raison
J.P. Raison	Mrs H.C. Williams
Mrs. J.M. Gardner (Appointed 18th January 1999)	

The Directors present their report and the accounts for the year ended 31st March 1999.

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. During the year the company employed a new general manager and these accounts reflect increased turnover and improved margins as a result of the new ideas he has been able to introduce. The position at the end of the year is set out on the balance sheet and shows an improvement on the net asset position of the company over the year. The Directors look for similar growth in the year to 31st March 2000.

Future Development

The Directors will continue to operate their existing management policies and over the next five years look to upgrade and refurbish all the facilities of the hotel. They have considered the matter of computer software being "Year 2000 Compliant" and are confident steps have been taken to ensure, as far as possible, this will not be a problem for the company.

Results and Dividend

The results of the year's trading and the financial position of the company at the year end are shown in the annexed accounts.

The profit for the year before taxation amounts to £51,148 (1988 – loss of £174,446) 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. A.H.W. Sutcliffe, M.D.C. Sutcliffe, Mrs P.M. Nicolai and Ms V.M. Raison 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>31.3.1999</u>	<u>31.3.1998</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
Mrs. J.M. Gardner	1656	1656

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.

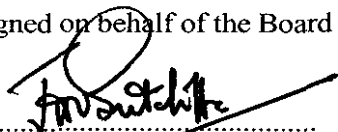
Donations

During the year the company made a donation of £250 to The Swan Sanctuary at Egham.

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
19th August 1999

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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fairfield House
Fairfield Avenue
Staines Middlesex
19th August 1999



BOLTON COLBY
Registered Auditors
Chartered Accountants

GREAT FOSTERS (1931) LIMITED

Profit and Loss Account

for the year ended 31st March 1999

		<u>1999</u>	<u>1998</u>
	<i>Note</i>		
Turnover (wholly arising in the United Kingdom)	(1e)	2648158	2266351
Cost of Sales		<u>506678</u>	<u>484505</u>
Gross Profit		2141480	1781846
Operating Expenses - Administrative Expenses		2176014	2061415
Less : Other Operating Income		<u>(55220)</u>	<u>(68631)</u>
Net Operating Expenses		<u>2120794</u>	<u>1992784</u>
Operating Profit/(Loss) before Interest	(2)	20686	(210938)
Other Interest Receivable and Similar Income		<u>30462</u>	<u>36492</u>
Profit/(Loss) on Ordinary Activities before Taxation		51148	(174446)
Tax Payable/Recoverable on Profit/(Loss) on Ordinary Activities	(4a)	<u>(9677)</u>	<u>6723</u>
Profit/(Loss) for the financial year after Taxation		41471	(167723)
Retained Profit at 1st April 1998 brought forward		<u>1610165</u>	<u>1777888</u>
Retained Profit at 31st March 1999 carried forward		<u>£1651636</u>	<u>£1610165</u>

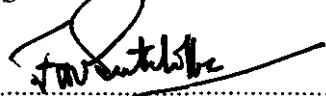
The operating profit is derived wholly from continuing activities.

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 profit for the year.

GREAT FOSTERS (1931) LIMITED**Balance Sheet***at 31st March 1999*

	<i>Note</i>	<u>1999</u>	<u>1998</u>
Fixed Assets			
Tangible Assets	(5)	1447860	1465984
Current Assets			
Stocks at Cost	(1c & 6)	95782	62981
Debtors	(7)	332949	144679
Investments	(8)	199966	199966
Cash at Bank and in Hand		<u>173241</u>	<u>219980</u>
		801938	627606
Creditors			
Amounts falling due within one year	(9)	<u>498090</u>	<u>390153</u>
Net Current Assets		<u>303848</u>	<u>237453</u>
Total Assets less Current Liabilities		1751708	1703437
Provision for Liabilities and Charges			
Deferred Taxation	(1d & 4b)	<u>80200</u>	<u>73400</u>
Total Net Assets		<u>£1671508</u>	<u>£1630037</u>
Financed by:-			
Capital and Reserves			
Called up Share Capital	(10)	19872	19872
Profit and Loss Account			
Retained Profit (Page 4)		<u>1651636</u>	<u>1610165</u>
Shareholders' Funds	(12)	<u>£1671508</u>	<u>£1630037</u>

Signed on behalf of the Board


J.H.V. Sutcliffe

Approved by the Directors on 19th August 1999

GREAT FOSTERS (1931) LIMITED

Cash Flow Statement

for the year ended 31st March 1999

		<u>1999</u>	<u>1998</u>
	<i>Note</i>		
Cash Flow Statement			
Net Cash Inflow from Operating Activities	(14)	8893	79689
Returns on Investments and Servicing of Finance	(13)	30462	36492
Taxation		8269	38962
Capital Expenditure and Financial Investment	(13)	(94363)	(158643)
(Decrease) in Cash	(15)	(£46739)	(£3500)
Reconciliation of Net Cash Flow to Movement in Net Debt			
Change in Net Debt	(15)	(46739)	(3500)
Net Debt at 31st March 1998		<u>419946</u>	<u>423446</u>
Net Debt at 31st March 1999	(15)	<u>£373207</u>	<u>£419946</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts

for the year ended 31st March 1999

1. Accounting Policies

The following principal accounting policies adopted in the preparation of these financial statements have been applied consistently in dealing with items considered material in relation to the company's financial statements.

a) Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards and 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	8%
Motor Vehicles	20%
Orangery and Office Extension	1%

c) Stocks

Stock has been valued by a professional valuer and the manager at the lower of cost and net realisable value.

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 1999

	<u>1999</u>	<u>1998</u>
2. Operating Profit		
Operating Profit is stated after charging:-		
a) Auditors' Remuneration	£3500	£3500
Hire of Equipment	£18954	£17021
Provision for Depreciation	£112487	£153983
b) Directors' Emoluments		
Salaries	57451	98200
Other Emoluments/Benefits etc.	10915	5267
Aggregate contributions to money purchase pension schemes	3869	61117
Pension Paid to Former Director's Widow	<u>5000</u>	<u>5000</u>
	<u>£77235</u>	<u>£169584</u>

The retirement benefit contribution to a "money purchase" pension plan was for one director only.

3. Staff Costs

Wages and Salaries	941119	732206
Social Security Costs	63016	45554
Other Pension Contributions	<u>26027</u>	<u>25922</u>
	<u>£1030162</u>	<u>£803682</u>

The average number of employees during the year was

Full-time	69	65
Part-time	18	19

4. Taxation

a) Current Year Corporation Tax charge/(credit) at 21% (1998- 21%)	2877	(4661)
Transfer to/(from) Deferred Taxation Account (Note 4b)	<u>6800</u>	<u>(500)</u>
	9677	(5161)
Adjustment to Previous year's credit	<u>-</u>	<u>(1562)</u>
Charge/(Credit) for the year	<u>£9677</u>	<u>(£6723)</u>

GREAT FOSTERS (1931) LIMITED**Notes to the Accounts (Continued)***for the year ended 31st March 1999***4. Taxation (Continued)****b) Deferred Taxation**

	<u>1999</u>	<u>1998</u>
This comprises:-		
Accelerated Capital Allowance	109100	101600
Less Future Loss Relief	(28900)	(28,200)
	<u>£80200</u>	<u>£73400</u>
Movements on this account during the year were as follows:-		
Provision at 1st April 1998	73400	73900
Provision/(Credit) for the year (Note 4a)	6800	(500)
Provision at 31st March 1999	<u>£80200</u>	<u>£73400</u>

Full provision has been made for deferred taxation at the rate of 20%.

5. Fixed Assets

a) Tangible Assets	Motor Vehicles	<u>Premises</u>		Furniture and Equipment	<u>Total</u>
		Alterations and Additions	Orangery		
Cost					
1st April 1998	14669	687698	882529	1408472	2993368
Additions	-	-	-	94363	94363
Disposals	(14669)	-	-	-	(14669)
31st March 1999	-	<u>£687698</u>	<u>£882529</u>	<u>£1502835</u>	<u>£3073062</u>
Depreciation					
1st April 1998	14669	429423	78766	1004526	1527384
Charge for the year	-	15330	8824	88333	112487
Disposals	(14669)	-	-	-	(14669)
31st March 1999	-	<u>£444753</u>	<u>£87590</u>	<u>£1092859</u>	<u>£1625202</u>
Net Book Value					
31st March 1999	-	<u>£242945</u>	<u>£794939</u>	<u>£409976</u>	<u>£1447860</u>
31st March 1998	-	<u>£258275</u>	<u>£803763</u>	<u>£403946</u>	<u>£1465984</u>

The depreciation rate of Furniture and Equipment was reduced from 10% to 8% during the year. As a result the charge for the year is £22,084 less than if no change of rate had taken place.

GREAT FOSTERS (1931) LIMITED**Notes to the Accounts (Continued)***for the year ended 31st March 1999***5. Fixed Assets (Continued)****b) Directors' Interests in Transactions Relating to Fixed Assets**

During the year the company incurred expenditure of £317,852 (1998 - £371,651) in the ordinary course of business on the maintenance of premises occupied by the company and held as a "bare trust" on behalf of persons who are also the holders of all the issued share capital of the company. In addition the company paid the individual shareholders rent of £96,000 (1998 - £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, Mrs. H.C. Williams and Mrs. J.M. Gardner are beneficially interested in the share capital of the company.

c) Subsequent Events

Since the balance sheet date the company has paid a 10% refundable deposit of £20,100 towards the cost of acquiring land adjacent to its existing premises. The aim is to extend the facilities of the company over the next 5 years. When the legal requirements have been completed the company will be committed to paying the balance of the purchase price of £180,900.

6. Stocks	<u>1999</u>	<u>1998</u>
Wines, Liquors and Tobacco	68431	46852
Dry Food and Kitchen Stores	7684	9898
Sundry Stocks	19667	6231
	<u>£95782</u>	<u>£62981</u>

7. Debtors

Trade Debtors	155449	99034
Other Debtors	91282	5788
Prepayments	85777	28270
Taxation	441	11587
	<u>£332949</u>	<u>£144679</u>

Included in the amount of "other debtors" above are loans and advances made to officers of the company who are not directors as follows-

Amount outstanding	<u>£12409</u>	<u>£5788</u>
Number of officers	<u>2</u>	<u>1</u>

8. Investments

Listed Government Stock	199966	448572
Matured during the year at cost	-	(248606)
	<u>£199966</u>	<u>£199966</u>
Market Value at 31st March 1999	<u>£219659</u>	<u>£219265</u>

GREAT FOSTERS (1931) LIMITED**Notes to the Accounts (Continued)***for the year ended 31st March 1999*

	<u>1999</u>	<u>1998</u>
9. Creditors		
Amounts falling due within one year		
Trade Creditors	108235	56521
Social Security and Other Taxes	29544	29283
Other Creditors	216902	191792
Accruals	143409	112557
Taxation	—	—
	<u>£498090</u>	<u>£390153</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	13879	323
Loan Interest	247	-
Interest on Government Stock	16336	34628
Corporation Tax Repayment	—	<u>1541</u>
	<u>£30462</u>	<u>£36492</u>
12. Reconciliation of movements in shareholders' funds		
Opening shareholders' funds	1630037	1797760
Profit/(Loss) for the financial year	<u>41471</u>	<u>(167723)</u>
Closing shareholders' funds	<u>£1671508</u>	<u>£1630037</u>

GREAT FOSTERS (1931) LIMITED**Notes to the Cash Flow Statement***for the year ended 31st March 1999*

	<u>1999</u>	<u>1998</u>
13. Gross Cash Flows		
Returns on Investments and Servicing of Finance		
Interest Received	<u>£30462</u>	<u>£36492</u>
Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	<u>(£94363)</u>	<u>(£158643)</u>
14. Reconciliation of Operating Profit/(Loss) to Net Cash Inflow from Operating Activities		
Operating Profit/(Loss) (Page 4)	20686	(210938)
Depreciation Charges	112487	153983
(Increase)/Decrease in Stocks	(32801)	1795
(Increase)/Decrease in Debtors	(199416)	58045
Increase in Creditors	107937	76804
Net Cash Inflow from Operating Activities	<u>£8893</u>	<u>£79689</u>
15. Analysis of the Changes in Net Debt		
	At 1st <u>April 1998</u>	Cash <u>Flows</u> At 31st <u>March 1999</u>
Cash at Bank and in Hand	219980	(46739) 173241
Current Asset Investments	<u>199966</u>	<u>-</u> <u>199966</u>
	<u>£419946</u>	<u>(£46739)</u> <u>£373207</u>