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GREAT FOSTERS (1931) LIMITED

COMPANY NUMBER 254708

**ANNUAL REPORT
AND
ACCOUNTS**

for the year ended 31st March 2000

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)
 J.E. Baumann
 Mrs. J.E. Barrett
 Mrs. P.M. Nicolai
 Mrs. F.A. Plummer
 J.P. Raison
 Mrs. J.M. Gardner

R.H.M. Raison
 A.H.W. Sutcliffe
 J.R.B. Sutcliffe
 M.D.C. Sutcliffe
 Ms V.M. Raison
 Mrs H.C. Williams
 J.J.R. Raison (Appointed 13.9.1999)

The Directors present their report and the accounts for the year ended 31st March 2000.

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. 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 continued growth in the year to 31st March 2001.

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.

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 £29,258 (1999 – £51,148) 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, J.P. Raison, Mrs. H.C. Williams and Mrs. J.M. Gardner 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	
	31.3.2000	31.3.1999
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
J.J.R. Raison	1656	1656 (and at date appointed director)

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.

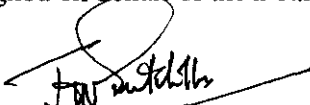
Donations

During the year the company made a donation of £100 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

Approved by the Board 11th September 2000

Egham
Surrey

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 2000 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
11th September 2000

BOLTON COLBY
Registered Auditors
Chartered Accountants

GREAT FOSTERS (1931) LIMITED

Profit and Loss Account

for the year ended 31st March 2000

		<u>2000</u>	<u>1999</u>
	<i>Note</i>		
Turnover (wholly arising in the United Kingdom)	<i>(1e)</i>	2920751	2648158
Cost of Sales		<u>580518</u>	<u>506678</u>
Gross Profit		2340233	2141480
Operating Expenses - Administrative Expenses		2395646	2176014
Less : Other Income		<u>(72342)</u>	<u>(55220)</u>
Net Operating Expenses		<u>2323304</u>	<u>2120794</u>
Operating Profit before Interest	<i>(2)</i>	16929	20686
Interest Receivable and Similar Income		25623	30462
Interest Payable		<u>(13294)</u>	<u>-</u>
Profit/(Loss) on Ordinary Activities before Taxation		29258	51148
Tax Payable/Recoverable on Profit/(Loss) on Ordinary Activities	<i>(4a)</i>	<u>(2500)</u>	<u>(9677)</u>
Profit/(Loss) for the financial year after Taxation		26758	41471
Retained Profit at 1st April 1999 brought forward		<u>1651636</u>	<u>1610165</u>
Retained Profit at 31st March 2000 carried forward		<u>£1678394</u>	<u>£1651636</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 2000*

	<i>Note</i>	<u>2000</u>	<u>1999</u>
Fixed Assets			
Tangible Assets	(5)	2576634	1447860
Current Assets			
Stocks at Cost	(1c & 6)	74623	95782
Debtors	(7)	219659	332949
Investments	(8)	-	199966
Cash at Bank and in Hand		<u>18377</u>	<u>173241</u>
		312659	801938
Creditors			
Amounts falling due within one year	(9)	<u>1108327</u>	<u>498090</u>
Net Current (Liabilities)/Assets		<u>(795668)</u>	<u>303848</u>
Total Assets less Current Liabilities		1780966	1751708
Provision for Liabilities and Charges			
Deferred Taxation	(1d & 4b)	<u>82700</u>	<u>80200</u>
Total Net Assets		<u>£1698266</u>	<u>£1671508</u>
Financed by:-			
Capital and Reserves			
Called up Share Capital	(10)	19872	19872
Profit and Loss Account			
Retained Profit (Page 4)		<u>1678394</u>	<u>1651636</u>
Shareholders' Funds	(12)	<u>£1698266</u>	<u>£1671508</u>

Signed on behalf of the Board


J.H.V. Sutcliffe

Approved by the Directors on 11th September 2000

GREAT FOSTERS (1931) LIMITED

Cash Flow Statement

for the year ended 31st March 2000

		<u>2000</u>	<u>1999</u>
	<i>Note</i>		
Cash Flow Statement			
Net Cash Inflow from Operating Activities	(14)	387670	8893
Returns on Investments and Servicing of Finance	(13)	12329	30462
Taxation		(2837)	8269
Capital Expenditure and Financial Investment	(13)	<u>(1251106)</u>	<u>(94363)</u>
(Decrease) in Cash	(15)	<u>(£853944)</u>	<u>(£46739)</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
Change in Net Debt	(15)	(853944)	(46739)
Net Debt at 31st March 1999		<u>373207</u>	<u>419946</u>
Net Debt at 31st March 2000	(15)	<u>(£480737)</u>	<u>£373207</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts

for the year ended 31st March 2000

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

- i) The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.
- ii) The directors note the company had net current liabilities of £795,668 at the balance sheet date. This is because the company's development project, to which reference is made in note 5(d), is being funded by borrowings from the bank secured on the company's land and buildings acquired during the year. The whole project has been discussed with the bank and the directors would not have embarked upon it without their support. Having obtained this they are confident sufficient funds will be available to ensure liabilities will be met as they fall due during the next twelve months and therefore hold the view it is correct for the accounts to be prepared on the going concern basis.

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	25%
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 2000*

	<u>2000</u>	<u>1999</u>
2. Operating Profit		
Operating Profit is stated after charging:-		
a) Auditors' Remuneration	£5000	£3500
Hire of Equipment	£19710	£18954
Provision for Depreciation	£102515	£112487
Additional Provision in compliance with FRS 11 (note 5c)	£19393	-
Loss on Sales of Fixed Assets	£424	-
b) Directors' Emoluments		
Salaries	42045	57451
Other Emoluments/Benefits etc.	4468	10915
Aggregate contributions to money purchase pension schemes	352	3869
Pension paid to former director's widow	<u>5000</u>	<u>5000</u>
	<u>£51865</u>	<u>£77235</u>

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

3. Staff Costs

Wages and Salaries	1067304	941119
Social Security Costs	66910	63016
Other Pension Contributions	<u>32427</u>	<u>26027</u>
	<u>£1166641</u>	<u>£1030162</u>

The average number of employees during the year was

Full-time	76	69
Part-time	14	18

4. Taxation

a) Current Year (1999 @ 21%)	-	2877
Transfer to/(from) Deferred Taxation Account (Note 4b)	<u>2500</u>	<u>6800</u>
Charge for the year	<u>£2500</u>	<u>£9677</u>

No corporation tax is payable for the year because of the availability of loss relief.

GREAT FOSTERS (1931) LIMITED**Notes to the Accounts (Continued)***for the year ended 31st March 2000***4. Taxation (Continued)****b) Deferred Taxation**

	<u>2000</u>	<u>1999</u>
This comprises:-		
Accelerated Capital Allowance	112700	109100
Less Future Loss Relief	<u>(30000)</u>	<u>(28900)</u>
	<u>£82700</u>	<u>£80200</u>

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

Provision at 1st April 1999	80200	73400
Provision for the year (Note 4a)	<u>2500</u>	<u>6800</u>
Provision at 31st March 2000	<u>£82700</u>	<u>£80200</u>

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

5. Fixed Assets

a) Tangible Assets	New Properties	Development Costs	Premises		Motor Vehicles	Furniture and Equipment	Total
			Alterations and Additions	Orangery			
Cost							
1st April 1999	-	-	687698	882529	-	1502835	3073062
Additions	627147	294265	52800	-	11525	265469	1251206
Disposals	-	-	-	-	-	(719)	(719)
31st March 2000	<u>£627147</u>	<u>£294265</u>	<u>£740498</u>	<u>£882529</u>	<u>£11525</u>	<u>£1767585</u>	<u>£4323549</u>
Depreciation							
1st April 1999	-	-	444753	87590	-	1092859	1625202
Charge for the year	-	-	18172	8825	2881	92030	121908
Disposals	-	-	-	-	-	(195)	(195)
31st March 2000	<u>-</u>	<u>-</u>	<u>£462925</u>	<u>£96415</u>	<u>£2881</u>	<u>£1184694</u>	<u>£1746915</u>
Net Book Value							
31st March 2000	<u>£627147</u>	<u>£294265</u>	<u>£277573</u>	<u>£786114</u>	<u>£8644</u>	<u>£582891</u>	<u>£2576634</u>
31st March 1999	<u>-</u>	<u>-</u>	<u>£242945</u>	<u>£794939</u>	<u>-</u>	<u>£409976</u>	<u>£1447860</u>

The "New Properties" above are subject to mortgages with the bank to secure the loan and overdraft referred to in note 9.

GREAT FOSTERS (1931) LIMITED**Notes to the Accounts (Continued)***for the year ended 31st March 2000***5. Fixed Assets (Continued)****b) Directors' Interests in Transactions Relating to Fixed Assets**

During the year the company incurred expenditure of £342,542 (1999 - £317,852) 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 £108,000 (1999 - £96,000) 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, Mrs. J.M. Gardner and Mr. J.J.R. Raison are beneficially interested in the share capital of the company.

c) Asset Impairment Review

In compliance with the requirements of FRS 11, the directors have reviewed the carrying values of the company's fixed assets and have made an additional charge for depreciation of £19,393 in order to reduce the carrying value to the recoverable amount.

d) Subsequent Events

At the balance sheet date the company had entered into a contract to purchase an additional property as part of its development project. This purchase was completed in April 2000 at an additional cost of £436,500. The company's development project is scheduled for 3 years with estimated costs of £5 million. The directors have discussed this project with the company's bankers and are satisfied adequate funds will be available to meet these costs as they fall due.

6. Stocks	<u>2000</u>	<u>1999</u>
Wines, Liquors and Tobacco	65966	68431
Dry Food and Kitchen Stores	5370	7684
Sundry Stocks	<u>3287</u>	<u>19667</u>
	<u>£74623</u>	<u>£95782</u>

7. Debtors

Trade Debtors	139903	155449
Other Debtors	18254	91282
Prepayments	58224	85777
Taxation	<u>3278</u>	<u>441</u>
	<u>£219659</u>	<u>£332949</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>£18254</u>	<u>£12409</u>
Number of officers	<u>2</u>	<u>2</u>

GREAT FOSTERS (1931) LIMITED**Notes to the Accounts (Continued)***for the year ended 31st March 2000*

	<u>2000</u>	<u>1999</u>
8. Investments		
Listed Government Stock	199966	199966
Sold during the year at cost	<u>199966</u>	<u>-</u>
	<u>-</u>	<u>£199966</u>
Market Value at balance sheet date	<u>-</u>	<u>£219659</u>
9. Creditors		
Amounts falling due within one year		
Bank Loan and Overdraft	499114	-
Trade Creditors	195761	108235
Social Security and Other Taxes	34357	29544
Other Creditors	182285	216902
Accruals	<u>196810</u>	<u>143409</u>
	<u>£1108327</u>	<u>£498090</u>
The bank facilities are secured by mortgages dated 15th September 1999 and 17th February 2000 on the land and property purchased during the year.		
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	4323	13879
Loan Interest	172	247
Interest on Government Stock	<u>21128</u>	<u>16336</u>
	<u>£25623</u>	<u>£30462</u>
12. Reconciliation of movements in shareholders' funds		
Opening shareholders' funds	1671508	1630037
Profit/(Loss) for the financial year	<u>26758</u>	<u>41471</u>
Closing shareholders' funds	<u>£1698266</u>	<u>£1671508</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Cash Flow Statement

for the year ended 31st March 2000

	<u>2000</u>	<u>1999</u>
13. Gross Cash Flows		
Returns on Investments and Servicing of Finance		
Interest Received	<u>£25623</u>	<u>£30462</u>
Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	(1251206)	(94363)
Receipts from Sales of Tangible Fixed Assets	<u>100</u>	<u>-</u>
	<u>(£1251106)</u>	<u>(£94363)</u>
14. Reconciliation of Operating Profit/(Loss) to Net Cash Inflow from Operating Activities		
Operating Profit (Page 4)	16929	20686
Depreciation Charges	122332	112487
Decrease/(Increase) in Stocks	21159	(32801)
Decrease/(Increase) in Debtors	116127	(199416)
Increase in Creditors	<u>111123</u>	<u>107937</u>
Net Cash Inflow from Operating Activities	<u>£387670</u>	<u>£8893</u>
15. Analysis of the Changes in Net Debt		
	At 1st <u>April 1999</u>	Cash <u>Flows</u> At 31st <u>March 2000</u>
Cash at Bank and in Hand	173241	(653978) (480737)
Current Asset Investments	199966	(199966) <u>-</u>
	<u>£373207</u>	<u>(£853944) (£480737)</u>