

GREAT FOSTERS (1931) LIMITED

COMPANY NUMBER 254708

**ANNUAL REPORT
AND
ACCOUNTS**

for the year ended 31st March 2001

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

The Directors present their report and the accounts for the year ended 31st March 2001.

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 a 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 have started the development 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 £6,762 (2000 – £29,258) 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.E. Baumann, J.R.B. Sutcliffe, R.H.M. Raison, Mrs F.A. Plummer and Mrs J.E. Barrett 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>31.3.2001</u>	<u>31.3.2000</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
J.J.R. Raison	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.

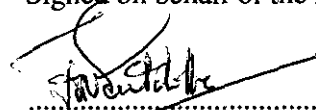
Donations

During the year the company made a donation of £500 to The Association of Pastry Chefs.

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 14 August 2001

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 2001 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
14 August 2001


BOLTON COLBY
Registered Auditors
Chartered Accountants

GREAT FOSTERS (1931) LIMITED**Profit and Loss Account***for the year ended 31st March 2001*

	<i>Note</i>	<u>2001</u>	<u>2000</u>
Turnover (wholly arising in the United Kingdom)	(1e)	3337611	2920751
Cost of Sales		<u>596004</u>	<u>580518</u>
Gross Profit		2741607	2340233
Operating Expenses - Administrative Expenses		2761586	2395646
Less : Other Income		<u>(59206)</u>	<u>(72342)</u>
Net Operating Expenses		2702380	<u>2323304</u>
Operating Profit	(2)	39227	16929
Gain on Sale of Property		<u>65370</u>	<u>-</u>
Profit on Ordinary Activities before Interest		104597	16929
Interest Receivable and Similar Income	(10)	1139	25623
Interest Payable		<u>(98974)</u>	<u>(13294)</u>
Profit on Ordinary Activities before Taxation		6762	29258
Tax Charge for the Year	(4a)	<u>(900)</u>	<u>(2500)</u>
Profit for the financial year after Taxation		5862	26758
Retained Profit at 1st April 2000 brought forward		<u>1678394</u>	<u>1651636</u>
Retained Profit at 31st March 2001 carried forward		<u>£1684256</u>	<u>£1678394</u>

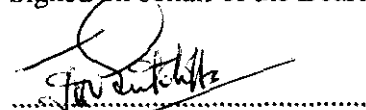
The operating profit is derived wholly from continuing activities.

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 2001*

	<i>Note</i>	<u>2001</u>	<u>2000</u>
Fixed Assets			
Tangible Assets	(5)	3973992	2576634
Current Assets			
Stocks at Cost	(1c & 6)	110520	74623
Debtors	(7)	321711	219659
Cash at Bank and in Hand		<u>3500</u>	<u>18377</u>
		435731	312659
Creditors			
Amounts falling due within one year	(8)	<u>1148089</u>	<u>1108327</u>
Net Current Liabilities		<u>(712358)</u>	<u>(795668)</u>
Total Assets less Current Liabilities		3261634	1780966
Provision for Liabilities and Charges			
Deferred Taxation	(1d & 4b)	83600	82700
Bank Loan	(8b)	<u>1473906</u>	<u>-</u>
		<u>1557506</u>	<u>82700</u>
Total Net Assets		<u>£1704128</u>	<u>£1698266</u>
Financed by:-			
Capital and Reserves			
Called up Share Capital	(9)	19872	19872
Profit and Loss Account			
Retained Profit (Page 4)		<u>1684256</u>	<u>1678394</u>
Shareholders' Funds	(11)	<u>£1704128</u>	<u>£1698266</u>

Signed on behalf of the Board


J.H.V. Sutcliffe

Approved by the Directors on 14 August 2001

GREAT FOSTERS (1931) LIMITED**Cash Flow Statement***for the year ended 31st March 2001*

		<u>2001</u>	<u>2000</u>
	<i>Note</i>		
Cash Flow Statement			
Net Cash Inflow from Operating Activities	(13)	104079	387670
Returns on Investments and Servicing of Finance	(12)	(97835)	12329
Taxation		-	(2837)
Capital Expenditure	(12)	(1495027)	(1251106)
Bank Loan Received	(12)	<u>1473906</u>	-
(Decrease) in Cash	(14)	<u>(£14877)</u>	<u>(£853944)</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
Change in Net Debt	(14)	(14877)	(853944)
Net Debt at 31st March 2000		<u>(480737)</u>	<u>373207</u>
Net Debt at 31st March 2001	(14)	<u>(£495614)</u>	<u>(£480737)</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts

for the year ended 31st March 2001

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 £712,358 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. The project has been discussed with the bank and the directors have embarked upon it with their support. They are therefore 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 2001*

	<u>2001</u>	<u>2000</u>
2. Operating Profit		
Operating Profit is stated after charging:-		
a) Auditors' Remuneration	£5000	£5000
Hire of Equipment	£18848	£19710
Provision for Depreciation	£97669	£102515
Additional Provision in compliance with FRS 11	-	£19393
Loss on Sales of Fixed Assets	-	£424
b) Directors' Emoluments		
Salaries	58222	42045
Other Emoluments/Benefits etc.	4755	4468
Aggregate contributions to money purchase pension schemes	-	352
Pension paid to former director's widow	5000	5000
	<u>£67977</u>	<u>£51865</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	1179036	1067304
Social Security Costs	76759	66910
Other Pension Contributions	33661	32427
	<u>£1289456</u>	<u>£1166641</u>

The average number of employees during the year was

Full-time	74	76
Part-time	19	14

4. Taxation

a) Current Year (2000 @ 20%)	-	-
Transfer to Deferred Taxation Account (Note 4b)	<u>900</u>	<u>2500</u>
Charge for the year	<u>£900</u>	<u>£2500</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 2001

4. Taxation (Continued)

b) Deferred Taxation

	<u>2001</u>	<u>2000</u>
This comprises:-		
Accelerated Capital Allowance	113600	112700
Less Future Loss Relief	<u>(30000)</u>	<u>(30000)</u>
	<u>£83600</u>	<u>£82700</u>

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

Provision at 1st April 2000	82700	80200
Provision for the year (Note 4a)	<u>900</u>	<u>2500</u>
Provision at 31st March 2001	<u>£83600</u>	<u>£82700</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 2000	627147	294265	740498	882529	11525	1767585	4323549
Additions	595145	1233573	-	-	-	150439	1979157
Disposals	(484130)	-	-	-	-	-	(484130)
31st March 2001	<u>£738162</u>	<u>£1527838</u>	<u>£740498</u>	<u>£882529</u>	<u>£11525</u>	<u>£1918024</u>	<u>£5818576</u>
Depreciation							
1st April 2000	-	-	462925	96415	2881	1184694	1746915
Charge for the year	-	-	17967	8825	2881	67996	97669
Disposals	-	-	-	-	-	-	-
31st March 2001	<u>-</u>	<u>-</u>	<u>£480892</u>	<u>£105240</u>	<u>£5762</u>	<u>£1252690</u>	<u>£1844584</u>
Net Book Value							
31st March 2001	<u>£738162</u>	<u>£1527838</u>	<u>£259606</u>	<u>£777289</u>	<u>£5763</u>	<u>£665334</u>	<u>£3973992</u>
31st March 2000	<u>£627147</u>	<u>£294265</u>	<u>£277573</u>	<u>£786114</u>	<u>£8644</u>	<u>£582891</u>	<u>£2576634</u>

The "New Properties" above are subject to mortgages with the bank to secure the loan and overdraft facilities referred to in note 8. It is not possible to split the value of "New Properties" between Land and Buildings.

GREAT FOSTERS (1931) LIMITED**Notes to the Accounts (Continued)***for the year ended 31st March 2001***5. Fixed Assets (Continued)****b) Directors' Interests in Transactions Relating to Fixed Assets**

During the year the company incurred expenditure of £385,165 (2000 - £342,542) 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 (2000 - £108,000) 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 hold the view no further adjustments are necessary to record the carrying value at the recoverable amount.

d) Capital Commitment

The company's development project is scheduled for 2 further years with estimated costs of £5.42 million. The directors discussed this project with the company's bankers before embarking upon it and are satisfied adequate funds will be available to meet these costs as they fall due.

6. Stocks

	<u>2001</u>	<u>2000</u>
Wines, Liquors and Tobacco	66158	65966
Dry Food and Kitchen Stores	5609	5370
Sundry Stocks	<u>38753</u>	<u>3287</u>
	<u>£110520</u>	<u>£74623</u>

7. Debtors

Trade Debtors	190535	139903
Other Debtors	93334	18254
Prepayments	34564	58224
Taxation	<u>3278</u>	<u>3278</u>
	<u>£321711</u>	<u>£219659</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>£33299</u>	<u>£18254</u>
Number of officers	<u>4</u>	<u>2</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts (Continued)

for the year ended 31st March 2001

	<u>2001</u>	<u>2000</u>
8. Creditors		
a) Amounts falling due within one year		
Bank Overdraft	498612	499114
Trade Creditors	222457	195761
Social Security and Other Taxes	20621	34357
Other Creditors	172125	182285
Accruals	<u>234274</u>	<u>196810</u>
	<u>£1148089</u>	<u>£1108327</u>

The bank facilities are secured by mortgages on the company's land and property.

b) Amount falling due after one year

Bank Loan	£1473906	-
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Repayments are scheduled to be made over 10 years starting in December 2002. The loan bears interest at "current rates plus 1.25%" and will be subject to annual review.

9. 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>

10. Interest Received

Bank Deposit Interest	1042	4323
Loan Interest	97	172
Interest on Government Stock	<u>-</u>	<u>21128</u>
	<u>£1139</u>	<u>£25623</u>

11. Reconciliation of movements in shareholders' funds

Opening shareholders' funds	1698266	1671508
Profit for the financial year	<u>5862</u>	<u>26758</u>
Closing shareholders' funds	<u>£1704128</u>	<u>£1698266</u>

GREAT FOSTERS (1931) LIMITED**Notes to the Cash Flow Statement***for the year ended 31st March 2001*

	<u>2001</u>	<u>2000</u>
12. Gross Cash Flows		
Returns on Investments and Servicing of Finance		
Interest Payable	(98974)	(13294)
Interest Received (Note 10)	<u>1139</u>	<u>25623</u>
	(97835)	12329
Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	(1979157)	(1251206)
Receipts from Sales of Tangible Fixed Assets	<u>484130</u>	<u>100</u>
	(1495027)	(1251106)
Financing		
Bank Loan Received	<u>1473906</u>	<u>-</u>
13. Reconciliation of Operating Profit/(Loss) to Net Cash Inflow from Operating Activities		
Operating Profit (Page 4)	104597	16929
Depreciation Charges	97669	122332
Decrease/(Increase) in Stocks	(35897)	21159
Decrease/(Increase) in Debtors	(102052)	116127
Increase in Creditors	<u>39762</u>	<u>111123</u>
Net Cash Inflow from Operating Activities	<u>£104079</u>	<u>£387670</u>
14. Analysis of the Changes in Net Debt		
	At 1st <u>April 2000</u>	Cash <u>Flows</u> At 31st <u>March 2001</u>
Cash at Bank and in Hand	<u>£18377</u>	<u>(£14877) £3500</u>