

The Glass Boat Company Limited

Annual report

for the year ended 30 April 1995

Registered no: 1905310



The Glass Boat Company Limited

Annual report for the year ended 30 April 1995

	Pages
Directors and advisers	1
Directors' report	2 - 3
Report of the auditors	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 17

Directors and advisers

Executive directors

N A G Ringner

H Ringner

I M Macdonald

Secretary and registered office

N A G Ringner
2 St Paul's Road
Clifton
Bristol
BS8

Registered Auditors

Coopers & Lybrand
Bull Wharf
Redcliff Street
Bristol
BS1 6QR

Bankers

National Westminster Bank plc
72 Gloucester Road
Bishopston
Bristol
BS7 8BL

Solicitors

Batten & Co
2 St Paul's Road
Clifton
Bristol
BS8 1LT

Report of the directors for the year ended 30 April 1995

The directors present their report and the audited financial statements for the year ended 30 April 1995.

Principal activities

The principal activities of the company are unchanged from last year, and are the operation of restaurants.

The profit and loss account for the year is set out on page 6.

Review of business and future developments

The directors are satisfied that the business has performed as well as can be expected in difficult trading circumstances.

The company operated two restaurants throughout the year and has been collecting rent from the freehold property.

Changes in presentation of the financial statements

Following the introduction of Financial Reporting Standard No 4, 'Capital Instruments' and Financial Reporting Standard No 5, 'Reporting the Substance of Transactions', the presentation of the financial statements has been amended to conform with the new requirements. Shareholders' funds have been analysed between equity interests and non-equity interests.

Dividends

The directors do not propose to pay a dividend in respect of the year ended 30 April 1995. The profit for the year is to be transferred to reserves.

Directors

The directors of the company at 30 April 1995, all of whom have been directors for the whole of the year ended on that date, except where noted, were

N A G Ringner
I M MacDonald
V Castellano (resigned 30 November 1994)
H Ringner (appointed 30 November 1994)

Changes in fixed assets

The movements in fixed assets during the year are set out in notes 10 and 11 to the financial statements.

Directors' interests in shares of the company

The interests of the directors of the company at 30 April 1995 in the shares of the company, according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows:

	Ordinary shares of £1 each	
	30 April 1995	30 April 1994
	Number	Number
N A G Ringner	13,200	13,100
I M MacDonald	5,500	5,500
H Ringner	100	-

Directors' responsibilities

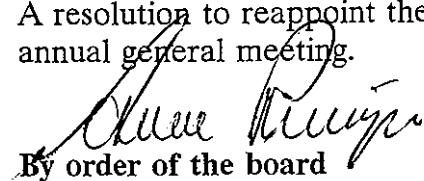
The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 April 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records and for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.


By order of the board

Report of the auditors to the members of The Glass Boat Company Limited

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of 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 financial statements 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 financial statements.

Fundamental uncertainties

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation and the period over which the investment property revaluation reserve will remain in deficit.

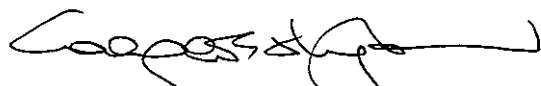
The financial statements have been prepared on a going concern basis and the validity of this depends on the continued support of the company's bankers and directors by providing adequate overdraft and loan facilities. The financial statements do not include any adjustments that would result from a failure to obtain such continued support.

In addition the financial statements assume that the deficit on the investment property revaluation reserve will only be temporary and the validity of this depends on the fall in the investment property's valuation not being permanent. The financial statements do not include any adjustments that would result from the fall in the valuation becoming permanent.

Details of the circumstances relating to these fundamental uncertainties are described in note 1. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 April 1995 and of its profit and total recognised gains and losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors,
Bristol.

27 November 1995

**Profit and loss account
for the year ended 30 April 1995**

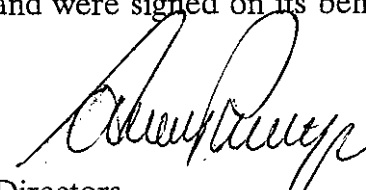
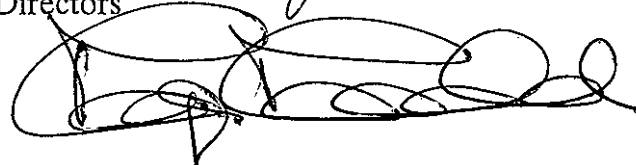
	Notes	1995 £	1994 £
Turnover - continuing operations		741,362	760,658
Cost of sales - continuing operations		509,332	509,686
Gross profit - continuing operations		232,030	250,972
Net operating expenses - continuing operations	2	217,738	218,537
Operating profit - continuing operations	3	14,292	32,435
Investment income	6	19,688	13,500
		33,980	45,935
Interest receivable and similar income	7	-	695
Interest payable and similar charges	8	(15,307)	(21,739)
Profit on ordinary activities before taxation		18,673	24,891
Tax charge on profit on ordinary activities	9	(5,004)	(1,103)
Retained profit for the year		13,669	23,788
Statement of retained profits/(accumulated losses)			
Accumulated losses at 1 May 1994		(9,605)	(33,393)
Profit for the year		13,669	23,788
Retained profits/(accumulated losses) at 30 April 1995		4,064	(9,605)
Statement of total recognised gains and losses			
Profit for the year		13,669	23,788
Movement on investment property revaluation reserve		-	(60,000)
Total recognised gains/(losses) relating to the year		13,669	(36,212)

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Balance sheet at 30 April 1995

	Notes	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	10		162,678		163,550
Investment property	11		120,000		120,000
Current assets					
Stocks	12	13,846		16,696	
Debtors	13	11,830		12,638	
Cash at bank and in hand		367		287	
		<u>26,043</u>		<u>29,621</u>	
Creditors: amounts falling due within one year	14	<u>188,382</u>		<u>172,140</u>	
Net current liabilities			<u>(162,339)</u>		<u>(142,519)</u>
Total assets less current liabilities			<u>120,339</u>		<u>141,031</u>
Creditors: amounts falling due after more than one year	15		<u>97,275</u>		<u>131,636</u>
Net assets			<u><u>23,064</u></u>		<u><u>9,395</u></u>
Capital and reserves					
Called up share capital	17		25,000		25,000
Share premium account	18		54,000		54,000
Investment property revaluation reserve	11		(60,000)		(60,000)
Profit and loss account			<u>4,064</u>		<u>(9,605)</u>
Equity shareholders' funds	20		<u><u>23,064</u></u>		<u><u>9,395</u></u>

The financial statements were approved by the board of directors on 27 November 1995 and were signed on its behalf by:


Directors


Notes to the financial statements for the year ended 30 April 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with generally accepted accounting principles in the United Kingdom. However, compliance with SSAP 19 'Accounting for investment properties' requires departure from the requirements of the Companies Act 1985 relating to depreciation. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparing the financial statements

At the balance sheet date the company's current liabilities exceeded its current assets by £162,339. The company meets its day to day working capital requirements through a bank overdraft facility which, in common with all such facilities, is repayable upon demand. At the balance sheet date the overdraft was £41,759 which was within the agreed facility of £50,000. In addition, there are directors' loans of £12,298 at the balance sheet date which are repayable upon demand.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the company's bankers and directors continuing their support by providing adequate loan and overdraft facilities.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The directors have prepared a forecast profit and loss account for the year ended 30 April 1996 and believe that adequate funds will be available in the foreseeable future to meet the company's debts as they fall due. Based on that forecast and the results to date in that year, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

The directors recognised in the accounts for the year ended 30 April 1994, a temporary fall in market value of the investment property. If the deficit becomes permanent it will need to be transferred to the profit and loss account reserve. Whilst there is uncertainty about the nature of the reduction, the directors do not believe that it will become permanent and accordingly they set up an investment property revaluation reserve last year to record the reduction. The directors believe that future distributions of reserves will be possible when any investment property revaluation reserve deficit is covered by positive profit and loss account reserves.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of investment properties.

Tangible fixed assets

In accordance with SSAP 19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that to depreciate such properties would not give a true and fair view, but that a true and fair view is given by following SSAP 19 as described above. If this departure had not been made the profit for the financial year would have been reduced by depreciation on the revalued properties of £3,600 (1994: £3,600).

Full valuations are made by independent professionally qualified valuers every five years and in the intervening years these valuations are updated by the directors with the assistance of independent professional advice as required. The basis of valuation is explained in note 11.

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%	
Leasehold property improvements	5%	straight line
The Glass Boat	5%	straight line
Plant and machinery	33 ¹ / ₃ %	straight line
Fixtures and fittings	12 ¹ / ₂ %	reducing balance

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. Provision is made where necessary for obsolete, slow moving and defective stocks.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the value of services supplied.

Deferred taxation

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Investment income

Rents receivable are accounted for on an accruals basis.

Cash flow statement

In accordance with the exemptions offered to small companies by FRS 1, the company does not present a cash flow statement.

2 Net operating expenses

Net operating expenses are made up as follows:

	1995 £	1994 £
Other expenses	128,807	119,465
Administrative expenses	96,185	104,043
	224,992	223,508
Less: other operating income	7,254	4,971
Net operating expenses	217,738	218,537

3 Operating profit

Operating profit is stated after charging:

	1995 £	1994 £
Depreciation of tangible fixed assets	18,678	18,922
Auditors' remuneration	4,200	4,200
Loss on disposal of fixed assets	3,505	388
Operating lease rentals - leasehold property	17,000	17,000

4 Directors' emoluments

	1995 £	1994 £
Fees for management	<u>29,438</u>	<u>44,745</u>

5 Employee information

The average weekly number of persons employed by the company including executive directors during the year is analysed below:

	1995	1994
Kitchen and cleaning	23	21
Serving	32	29
Administration	3	4
	<u>58</u>	<u>54</u>

Employment costs - all employees including executive directors:

	1995 £	1994 £
Wages and salaries	254,840	251,020
Social security costs	18,097	19,629
Total direct costs of employment	<u>272,937</u>	<u>270,649</u>

6 Investment income

	1995 £	1994 £
Income from fixed asset investments	<u>19,688</u>	<u>13,500</u>
	<u>19,688</u>	<u>13,500</u>

7 Interest receivable and similar income

	1995 £	1994 £
Inland Revenue repayment supplement	-	695
	<u> </u>	<u> </u>

8 Interest payable and similar charges

Interest payable on bank loans and overdrafts:

	1995 £	1994 £
Repayable within 5 years by instalments	3,600	3,600
Repayable within 5 years, not by instalments	10,513	12,968
Repayable wholly or partly in more than 5 years	1,194	5,171
	<u> </u>	<u> </u>
	15,307	21,739
	<u> </u>	<u> </u>

9 Taxation

	1995 £	1994 £
United Kingdom corporation tax payable at 25%:		
Current	4,978	5,800
Under/(over) provision in respect of prior years:		
Current	26	(4,697)
	<u> </u>	<u> </u>
	5,004	1,103
	<u> </u>	<u> </u>

10 Tangible fixed assets

	Short leasehold property improve- ments £	The Glass Boat £	Plant and machinery £	Fixtures and fittings £	Total £
Cost					
At 1 May 1994	32,518	105,054	16,035	168,306	321,913
Additions	858	15,086	170	5,776	21,890
Disposals	-	-	-	(10,400)	(10,400)
At 30 April 1995	33,376	120,140	16,205	163,682	333,403
Depreciation					
At 1 May 1994	9,261	40,004	15,151	93,947	158,363
Charge for year	1,669	6,051	941	10,017	18,678
Disposals	-	-	-	(6,316)	(6,316)
At 30 April 1995	10,930	46,055	16,092	97,648	170,725
Net book value					
At 30 April 1995	22,446	74,085	113	66,034	162,678
At 30 April 1994	23,257	65,050	884	74,359	163,550

11 Investment property

	Freehold Property £
Cost/valuation	
At 1 May 1994	120,000
Change in market value	-
At 30 April 1995	120,000

The investment property was purchased in October 1990, after being valued at £180,000 by a professionally qualified valuer at open market value.

The reduction in the investment property's book value in the year ended 30 April 1994, resulted from the directors having taken external professional advice.

The property is used to generate the rental income disclosed in note 6 to the accounts, and the fall in value of the property is not expected to be permanent.

12 Stocks

The amounts attributable to different categories are as follows:

	1995 £	1994 £
Consumables	<u>13,846</u>	<u>16,696</u>

13 Debtors: amounts falling due within one year

	1995 £	1994 £
Trade debtors	5,086	6,358
Other debtors	740	404
Prepayments and accrued income	<u>6,004</u>	<u>5,876</u>
	<u>11,830</u>	<u>12,638</u>

14 Creditors: amounts falling due within one year

	1995 £	1994 £
Directors' loans	12,298	18,398
Bank loans and overdraft (see note 15)	75,675	58,642
Trade creditors	57,140	60,975
Other creditors including:		
Taxation and Social security costs	29,262	16,448
Other creditors	3,076	2,990
Accruals and deferred income	<u>10,931</u>	<u>14,687</u>
	<u>188,382</u>	<u>172,140</u>

Directors' loans are unsecured, repayable on demand and bear interest at current market rates.

Taxation and Social security is made up as follows:

	1995 £	1994 £
United Kingdom corporation tax payable	4,978	5,980
PAYE and Social security	6,140	4,683
Other creditors	18,144	5,785
	<u>29,262</u>	<u>16,448</u>

15 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Bank loans	<u>97,275</u>	<u>131,636</u>

Bank loans and overdrafts

	1995 £	1994 £
Bank loans and overdrafts are repayable as follows:		
In one year or less	75,675	58,642
Between one and two years	33,916	22,818
Between two and five years	46,356	59,042
In five years or more	17,003	49,776
	<u>172,950</u>	<u>190,278</u>

Included in bank loans and overdrafts above are loans repayable by instalments, partly in more than five years:

Secured loan at 2½% above bank base rate (minimum rate of 6.5%) repayable by monthly instalments expiring in 2004	78,052	83,982
	<u>78,052</u>	<u>83,982</u>

The bank loans and overdraft are secured by a ships mortgage over the Glass Boat and by fixed and floating charges over the other properties and assets of the company.

16 Provisions for liabilities and charges

Deferred taxation provided in the financial statements, and the amount unprovided of the total potential liability, are as follows:

	Amount provided		Full potential liability	
	1995	1994	1995	1994
	£	£	£	£
Accelerated capital allowances	-	-	8,190	7,648
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There is no movement on the provision for deferred taxation.

17 Called up share capital

	Ordinary shares of £1 each	
	1995	1994
Authorised		
- value	£25,000	£25,000
- number	25,000	25,000
Allotted, called up and fully paid		
- value	£25,000	£25,000
- number	25,000	25,000

18 Share premium account

	1995	1994
	£	£
At 30 April 1994 and 1995	54,000	54,000
	<u> </u>	<u> </u>

19 Operating leases

The company has the following annual operating lease commitments in respect of land and buildings:-

	1995 £	1994 £
Due to expire after more than five years	<u>17,000</u>	<u>17,000</u>

20 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Opening shareholders' funds	9,395	45,607
Profit for the financial year	13,669	23,788
Movement on investment property revaluation reserve	-	(60,000)
Closing shareholders' funds	<u>23,064</u>	<u>9,395</u>