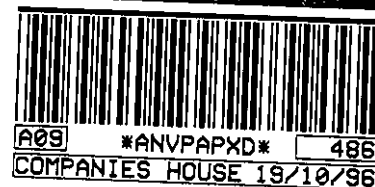


**The Glass Boat Company Limited**

**Annual report**

**for the year ended 30 April 1996**

**Registered no: 1905310**



# **The Glass Boat Company Limited**

## **Annual report for the year ended 30 April 1996**

### **Pages**

|                                          |               |
|------------------------------------------|---------------|
| <b>Directors and advisers</b>            | <b>1</b>      |
| <b>Directors' report</b>                 | <b>2 - 3</b>  |
| <b>Report of the auditors</b>            | <b>4 - 5</b>  |
| <b>Profit and loss account</b>           | <b>6</b>      |
| <b>Balance sheet</b>                     | <b>7</b>      |
| <b>Notes to the financial statements</b> | <b>8 - 17</b> |

**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 1LT

**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 1996**

The directors present their report and the audited financial statements for the year ended 30 April 1996.

**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 performance of the business has significantly improved during the year, and expect that the present level of activity will continue into the foreseeable future.

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

**Dividends**

The directors do not propose to pay a dividend in respect of the year ended 30 April 1996 [1995: £NIL]. The profit for the year is to be transferred to reserves.

**Directors**

The directors of the company at 30 April 1996, all of whom have been directors for the whole of the year ended on that date, were:

N A G Ringner  
I M Macdonald  
H Ringner

## Changes in fixed assets

The movements in fixed assets during the year are set out in notes 9 and 10 to the financial statements.

## Directors' interests in shares of the company

The interests of the directors of the company at 30 April 1996 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 1996<br>Number    | 30 April 1995<br>Number |
| N A G Ringner | 13,700                     | 13,200                  |
| I M Macdonald | 5,500                      | 5,500                   |
| H Ringner     | 100                        | 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.

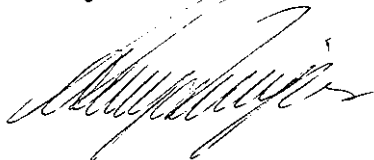
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 April 1996. The directors also confirm that applicable accounting standards 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, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of 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.

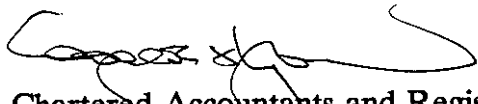
The financial statements have been prepared on a going concern basis and the validity of this depends on the continued support of the company's bankers and directors by providing adequate overdraft and loan facilities. The financial statements do not include any adjustments that would result from a failure 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'C. J. G.', written over the printed text of the auditors.

Chartered Accountants and Registered Auditors,  
Bristol, 11 October 1996

**Profit and loss account  
for the year ended 30 April 1996**

|                                                     | Notes | 1996<br>£      | 1995<br>£      |
|-----------------------------------------------------|-------|----------------|----------------|
| Turnover                                            | 1     | 739,517        | 741,362        |
| Cost of sales                                       |       | 484,911        | 509,332        |
| Gross profit                                        |       | <u>254,606</u> | <u>232,030</u> |
| Net operating expenses                              | 2     | 195,237        | 217,738        |
| Operating profit                                    | 3     | <u>59,369</u>  | <u>14,292</u>  |
| Investment income                                   | 6     | 15,549         | 19,688         |
|                                                     |       | <u>74,918</u>  | <u>33,980</u>  |
| Interest payable and similar charges                | 7     | (17,356)       | (15,307)       |
| Profit on ordinary activities before taxation       |       | <u>57,562</u>  | <u>18,673</u>  |
| Tax on profit on ordinary activities                | 8     | (11,819)       | (5,004)        |
| Retained profit for the year                        |       | <u>45,743</u>  | <u>13,669</u>  |
| Statement of retained profits/(accumulated losses)  |       |                |                |
| Retained profits/(accumulated losses) at 1 May 1995 |       | 4,064          | (9,605)        |
| Profit for the year                                 |       | <u>45,743</u>  | <u>13,669</u>  |
| Retained profits at 30 April 1996                   |       | <u>49,807</u>  | <u>4,064</u>   |

The company has no recognised gains and losses other than the profits above and therefore no separate statement of recognised gains and losses has been presented.

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.

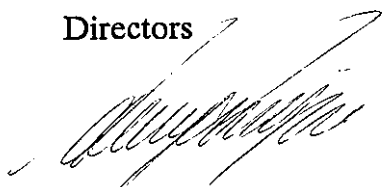
All the above profits relate to continuing activities of the company.

## Balance sheet at 30 April 1996

|                                                                | Notes | 1996<br>£            | £                    | 1995<br>£            | £                    |
|----------------------------------------------------------------|-------|----------------------|----------------------|----------------------|----------------------|
| <b>Fixed assets</b>                                            |       |                      |                      |                      |                      |
| Tangible assets                                                | 9     |                      | 170,244              |                      | 162,678              |
| <b>Investment property</b>                                     | 10    |                      | 120,000              |                      | 120,000              |
| <b>Current assets</b>                                          |       |                      |                      |                      |                      |
| Stocks                                                         | 11    | 13,426               |                      | 13,846               |                      |
| Debtors                                                        | 12    | 31,834               |                      | 11,830               |                      |
| Cash at bank and in hand                                       |       | 367                  |                      | 367                  |                      |
|                                                                |       | <u>45,627</u>        |                      | <u>26,043</u>        |                      |
| <b>Creditors: amounts falling due within one year</b>          | 13    | <u>169,858</u>       |                      | <u>171,586</u>       |                      |
| <b>Net current liabilities</b>                                 |       |                      | <u>(124,231)</u>     |                      | <u>(145,543)</u>     |
| <b>Total assets less current liabilities</b>                   |       |                      | <u>166,013</u>       |                      | <u>137,135</u>       |
| <b>Creditors: amounts falling due after more than one year</b> | 14    |                      | <u>97,206</u>        |                      | <u>114,071</u>       |
| <b>Net assets</b>                                              |       |                      | <u><u>68,807</u></u> |                      | <u><u>23,064</u></u> |
| <b>Capital and reserves</b>                                    |       |                      |                      |                      |                      |
| Called up share capital                                        | 16    | 25,000               |                      | 25,000               |                      |
| Share premium account                                          | 17    | 54,000               |                      | 54,000               |                      |
| Investment property revaluation reserve                        | 18    | (60,000)             |                      | (60,000)             |                      |
| Profit and loss account                                        |       | 49,807               |                      | 4,064                |                      |
| <b>Equity shareholders' funds</b>                              | 20    | <u><u>68,807</u></u> |                      | <u><u>23,064</u></u> |                      |

The financial statements were approved by the board of directors on 11 October 1996 and were signed on its behalf by:

Directors



## **Notes to the financial statements for the year ended 30 April 1996**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards 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. The effect of this departure is considered on page 9. 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 £124,231. 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 £32,222 which was within the agreed facility of £50,000. In addition, there are directors' loans of £10,611 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 forecasts for the year ended 30 April 1997 and, having given consideration to the period beyond this, 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 in that 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) the investment property is 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 the freehold investment property. 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, as this property is not held for consumption but for investment, to depreciate this property would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation on the revalued property of £3,600 (1995: £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 10.

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:

|                                       | %                                |                  |
|---------------------------------------|----------------------------------|------------------|
| Motor vehicles                        | 25%                              | reducing balance |
| Short leasehold property improvements | 5%                               | straight line    |
| The Glass Boat                        | 5%                               | straight line    |
| Plant and machinery                   | 33 <sup>1</sup> / <sub>3</sub> % | straight line    |
| Fixtures and fittings                 | 12 <sup>1</sup> / <sub>2</sub> % | 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. Where necessary, provision is made for obsolete, slow moving and defective stocks.

## Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. All turnover derives from sales in the United Kingdom.

## Deferred taxation

Provision is made for deferred taxation, using the liability method, on 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:

|                              | 1996<br>£      | 1995<br>£      |
|------------------------------|----------------|----------------|
| Administrative expenses      | 197,691        | 224,992        |
| Less: other operating income | (2,454)        | (7,254)        |
| Net operating expenses       | <u>195,237</u> | <u>217,738</u> |

## 3 Operating profit

Operating profit is stated after charging:

|                                              | 1996<br>£     | 1995<br>£     |
|----------------------------------------------|---------------|---------------|
| Depreciation of tangible fixed assets        | 15,913        | 18,678        |
| Auditors' remuneration                       | 3,800         | 4,200         |
| Loss on disposal of fixed assets             | -             | 3,505         |
| Operating lease rentals - leasehold property | 17,000        | 17,000        |
|                                              | <u>17,000</u> | <u>17,000</u> |

## 4 Directors' emoluments

|                     | 1996<br>£     | 1995<br>£     |
|---------------------|---------------|---------------|
| Fees for management | 28,684        | 29,438        |
|                     | <u>28,684</u> | <u>29,438</u> |

## 5 Employee information

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

|                      | 1996      | 1995      |
|----------------------|-----------|-----------|
| Kitchen and cleaning | 16        | 23        |
| Serving              | 26        | 32        |
| Administration       | 3         | 3         |
|                      | <u>45</u> | <u>58</u> |

Employment costs - all employees, including executive directors:

|                                  | 1996<br>£      | 1995<br>£      |
|----------------------------------|----------------|----------------|
| Wages and salaries               | 239,419        | 254,840        |
| Social security costs            | 15,963         | 18,097         |
| Total direct costs of employment | <u>255,382</u> | <u>272,937</u> |

## 6 Investment income

|                                             | 1996<br>£     | 1995<br>£     |
|---------------------------------------------|---------------|---------------|
| Income from fixed asset investment property | <u>15,549</u> | <u>19,688</u> |

## 7 Interest payable and similar charges

Interest payable on bank loans and overdrafts:

|                                                 | 1996<br>£     | 1995<br>£     |
|-------------------------------------------------|---------------|---------------|
| Repayable within 5 years by instalments         | 3,600         | 3,600         |
| Repayable within 5 years, not by instalments    | 12,588        | 10,513        |
| Repayable wholly or partly in more than 5 years | 1,168         | 1,194         |
|                                                 | <u>17,356</u> | <u>15,307</u> |

## 8 Taxation

|                                                            | 1996<br>£      | 1995<br>£    |
|------------------------------------------------------------|----------------|--------------|
| United Kingdom corporation tax payable at 25%: (1995: 25%) |                |              |
| Current                                                    | 13,639         | 4,978        |
| (Over)/under provision in respect of prior years:          |                |              |
| Current                                                    | <u>(1,820)</u> | <u>26</u>    |
|                                                            | <u>11,819</u>  | <u>5,004</u> |

## 9 Tangible fixed assets

|                         | Motor<br>Vehicles<br>£ | Short<br>leasehold<br>property<br>improve-<br>ments<br>£ | The<br>Glass<br>Boat<br>£ | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Total<br>£     |
|-------------------------|------------------------|----------------------------------------------------------|---------------------------|-----------------------------|----------------------------------|----------------|
| <b>Cost</b>             |                        |                                                          |                           |                             |                                  |                |
| At 1 May 1995           | -                      | 33,376                                                   | 120,140                   | 16,205                      | 163,682                          | 333,403        |
| Additions               | 1,000                  | -                                                        | -                         | 3,734                       | 18,745                           | 23,479         |
| Disposals               | -                      | -                                                        | -                         | -                           | -                                | -              |
| <b>At 30 April 1996</b> | <b>1,000</b>           | <b>33,376</b>                                            | <b>120,140</b>            | <b>19,939</b>               | <b>182,427</b>                   | <b>356,882</b> |
| <b>Depreciation</b>     |                        |                                                          |                           |                             |                                  |                |
| At 1 May 1995           | -                      | 10,930                                                   | 46,055                    | 16,092                      | 97,648                           | 170,725        |
| Charge for year         | -                      | 1,660                                                    | 6,052                     | -                           | 8,201                            | 15,913         |
| Disposals               | -                      | -                                                        | -                         | -                           | -                                | -              |
| <b>At 30 April 1996</b> | <b>-</b>               | <b>12,590</b>                                            | <b>52,107</b>             | <b>16,092</b>               | <b>105,849</b>                   | <b>186,638</b> |
| <b>Net book value</b>   |                        |                                                          |                           |                             |                                  |                |
| At 30 April 1996        | 1,000                  | 20,786                                                   | 68,033                    | 3,847                       | 76,578                           | 170,244        |
| At 30 April 1995        | -                      | 22,446                                                   | 74,085                    | 113                         | 66,034                           | 162,678        |

No depreciation is provided on motor vehicles as the addition represents a deposit paid just before the end of the year.

## 10 Investment property

|                         | Freehold<br>Property<br>£ |
|-------------------------|---------------------------|
| <b>Valuation</b>        |                           |
| At 1 May 1995           | 120,000                   |
| Change in market value  | -                         |
| <b>At 30 April 1996</b> | <b>120,000</b>            |

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.

If the investment property had not been revalued it would have been included at the following amounts:

|                                      | 1996<br>£      | 1995<br>£      |
|--------------------------------------|----------------|----------------|
| Cost                                 | 180,000        | 180,000        |
| Aggregate depreciation based on cost | (20,100)       | (16,500)       |
| Net book value based on cost         | <u>159,900</u> | <u>163,500</u> |

## 11 Stocks

The amounts attributable to different categories are as follows:

|             | 1996<br>£     | 1995<br>£     |
|-------------|---------------|---------------|
| Consumables | <u>13,426</u> | <u>13,846</u> |

## 12 Debtors: amounts falling due within one year

|                                | 1996<br>£     | 1995<br>£     |
|--------------------------------|---------------|---------------|
| Trade debtors                  | 21,264        | 5,086         |
| Other debtors                  | 981           | 740           |
| Prepayments and accrued income | 9,589         | 6,004         |
|                                | <u>31,834</u> | <u>11,830</u> |

## 13 Creditors: amounts falling due within one year

|                                                | 1996<br>£      | 1995<br>£      |
|------------------------------------------------|----------------|----------------|
| Directors' loans                               | 10,611         | 12,298         |
| Bank loans and overdraft (see note 14)         | 48,092         | 58,879         |
| Trade creditors                                | 56,089         | 57,140         |
| Other creditors including:                     |                |                |
| Taxation and Social security costs (see below) | 42,442         | 29,262         |
| Other creditors                                | 6,746          | 3,076          |
| Accruals                                       | 5,878          | 10,931         |
|                                                | <u>169,858</u> | <u>171,586</u> |

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

See note 14 below for details of security on bank loans and overdrafts.

Taxation and Social security is made up as follows:

|                                        | 1996<br>£     | 1995<br>£     |
|----------------------------------------|---------------|---------------|
| United Kingdom corporation tax payable | 13,639        | 4,978         |
| PAYE and Social security               | 6,528         | 6,140         |
| VAT                                    | 22,275        | 18,144        |
|                                        | <u>42,442</u> | <u>29,262</u> |

## 14 Creditors: amounts falling due after more than one year

|                                                                                                                        | 1996<br>£      | 1995<br>£      |
|------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Bank overdraft                                                                                                         | 32,222         | 41,760         |
| Secured bank loan at 8% repayable by monthly instalments expiring in 1996                                              | 2,250          | 6,750          |
| Secured bank loan at 2½% above bank base rate repayable by monthly instalments expiring in 2000                        | 37,994         | 46,388         |
| Secured bank loan at 2½% above bank base rate (minimum rate of 6.5%) repayable by monthly instalments expiring in 2010 | 72,832         | 78,052         |
|                                                                                                                        | <u>145,298</u> | <u>172,950</u> |
| Less: amounts due within one year                                                                                      | 48,092         | 58,879         |
| Bank loans                                                                                                             | <u>97,206</u>  | <u>114,071</u> |

### Bank loans and overdrafts

|                                                     | 1996<br>£      | 1995<br>£      |
|-----------------------------------------------------|----------------|----------------|
| Bank loans and overdrafts are repayable as follows: |                |                |
| In one year or less                                 | 48,092         | 58,879         |
| Between one and two years                           | 13,620         | 15,870         |
| Between two and five years                          | 36,854         | 40,860         |
| In five years or more                               | 46,732         | 57,341         |
|                                                     | <u>145,298</u> | <u>172,950</u> |

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

|                                                                                                                        |               |               |
|------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Secured bank loan at 2½% above bank base rate (minimum rate of 6.5%) repayable by monthly instalments expiring in 2010 | 72,832        | 78,052        |
|                                                                                                                        | <u>72,832</u> | <u>78,052</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.

The corresponding figures for bank loans repayable within one year and greater than one year have been restated to more properly reflect the likely repayment periods.

## 15 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<br>provided<br>1996<br>£ | 1995<br>£ | Amount<br>unprovided<br>1996<br>£ | 1995<br>£ |
|--------------------------------|---------------------------------|-----------|-----------------------------------|-----------|
| Accelerated capital allowances | -                               | -         | 9,202                             | 8,190     |

There is no movement on the provision for deferred taxation.

## 16 Called up share capital

|                                    | Ordinary shares of<br>£1 each |         |
|------------------------------------|-------------------------------|---------|
|                                    | 1996                          | 1995    |
| 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  |

## 17 Share premium account

|                           | 1996<br>£ | 1995<br>£ |
|---------------------------|-----------|-----------|
| At 30 April 1995 and 1996 | 54,000    | 54,000    |

**18 Investment property revaluation reserve**

|                                                                      | 1996<br>£       | 1995<br>£       |
|----------------------------------------------------------------------|-----------------|-----------------|
| Temporary deficit in market value of freehold property (see note 10) | <u>(60,000)</u> | <u>(60,000)</u> |

**19 Operating leases**

At 30 April 1996 the company had annual commitments under non-cancellable operating leases in respect of land and buildings as follows:-

|                             | 1996<br>£     | 1995<br>£     |
|-----------------------------|---------------|---------------|
| Expiring in over five years | <u>17,000</u> | <u>17,000</u> |

**20 Reconciliation of movements in shareholders' funds**

|                               | 1996<br>£     | 1995<br>£     |
|-------------------------------|---------------|---------------|
| Opening shareholders' funds   | 23,564        | 9,395         |
| Profit for the financial year | <u>45,743</u> | <u>13,669</u> |
| Closing shareholders' funds   | <u>68,807</u> | <u>23,064</u> |

**21 Related party transaction**

During the year the company paid rent and motoring expenses totalling £4,080 to NAG Ringner (director).