

THE GLASS BOAT COMPANY LIMITED

INDEX TO FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1999

Page

1	Officers and Professional Advisers
2 - 3	Directors Report
4 - 5	Auditors' Report
6	Profit and Loss Account
7	Balance Sheet
8 - 18	Notes to the Financial Statements



THE GLASS BOAT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 30 APRIL 1999

Company Number 1905310

Directors N A G Ringner
H Ringner
I M Macdonald

Secretary N A G Ringner

Registered Office Glass Boat
Welsh Back
Bristol BS1 4SB

Auditors Millener Davies
Southfield House
2 Southfield Road
Westbury on Trym
Bristol BS9 3BH

Bank National Westminster Bank
PO Box 180, 740 Waterside Drive
Aztec West
Bristol BS99 5BD

THE GLASS BOAT COMPANY LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 30 APRIL 1999

The directors have pleasure in presenting their report and financial statements for the year ended 30 April 1999.

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

The company experienced some difficulties during the year. The area immediate to the Glass Boat Restaurant offered up some viscous competition from a range of new food outlets. New arrivals were a Belgo, a Riverstation, a Severnshed and a San Carlos restaurant with some 500 new covers within 5 minutes walk from the Boat. Further, some key staff left the business during the year and management's involvement in a new restaurant business had an effect on the Boat's business.

The Blue Goose trading was poor due to a number of staff problems.

It is anticipated that the next year's trading will be substantially better.

Dividends

The directors paid one dividend in respect of the year ended 30 April 1999 totalling £20,000 (1998: £20,000).

Directors

The directors of the company at 30 April 1999, 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

THE GLASS BOAT COMPANY LIMITED**REPORT OF THE DIRECTORS (Continued)****YEAR ENDED 30 APRIL 1999****Directors' Interest in Shares of the Company**

The interests of the directors of the company in the shares of the company at 30 April 1999, together with their interest at 1 May 1998, were:

Ordinary Shares of £1 each	30 April 1999 Number	1 May 1998 Number
N A G Ringner	13,700	13,700
I M Macdonald	5,500	5,500
H Ringer	100	100

Directors' Responsibilities in Relation to Financial Statements

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which 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 for the financial year.

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 1999. 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

Millener Davies were appointed as auditors in June 1999 and have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board


N A G Ringner
Company Secretary

THE GLASS BOAT COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF

THE GLASS BOAT COMPANY LIMITED

We have audited the financial statements set out on pages 6 to 18.

Respective responsibilities of Directors and Auditors

As described in the Directors' Report, 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 Uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation.

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 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.

Details of the circumstances relating to the fundamental uncertainty are described in Note 1. Our opinion is not qualified in this respect.

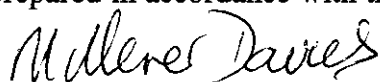
THE GLASS BOAT COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF

THE GLASS BOAT COMPANY LIMITED (Continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company as at 30 April 1999 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MILLENER DAVIES

Registered Auditor / Chartered Accountants

Southfield House
2 Southfield Road
Westbury on Trym
Bristol BS9 3BH

1 February 2000

THE GLASS BOAT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 1999

	Notes	1999 £	1998 £
Turnover		719,271	756,256
Cost of sales		(497,055)	(488,554)
Gross Profit		222,216	267,702
Net operating expenses	2	(230,575)	(224,827)
Operating (Loss)/Profit	3	(8,359)	42,875
Investment income	6	15,756	15,756
Interest payable and similar charges	7	(11,979)	(12,727)
(Loss)/Profit on Ordinary Activities before Taxation		(4,582)	45,904
Tax on profit on ordinary activities	8	<u>26</u>	(12,390)
(Loss)/Profit on Ordinary Activities after Taxation		(4,556)	33,514
Dividends paid	9	(20,000)	(20,000)
(Loss)/Profit for the Financial Year		(24,556)	13,514
		=====	=====
Statement of Retained Profits			
Retained profits at 1 May 1998		72,842	59,328
(Loss)/Profit for the year		(24,556)	<u>13,514</u>
		48,286	72,842
		=====	=====
Statement of total recognised Gains and Losses			
(Loss)/Profit for the financial year		(4,556)	33,514
Unrealised surplus on revaluation of investment properties		<u>-</u>	<u>-</u>
		(4,556)	33,514
		=====	=====

There were no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding period.

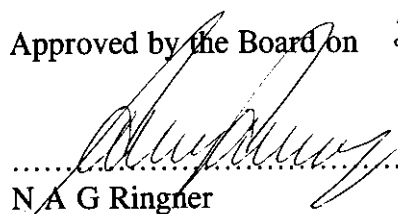
THE GLASS BOAT COMPANY LIMITED

BALANCE SHEET

AS AT 30 APRIL 1999

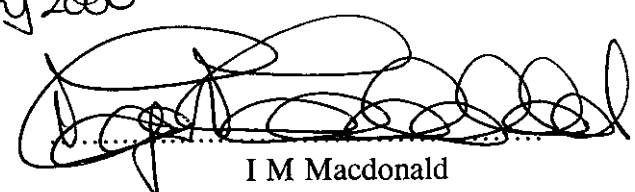
	Notes	£	1999 £	1998 £
Fixed Assets				
Tangible Assets	10		128,585	139,108
Investment property	10		135,000	135,000
Investment	11		<u>21,000</u>	<u>20,000</u>
			284,585	<u>294,108</u>
Current Assets				
Stocks	12	16,154		17,273
Debtors	13	13,114		12,925
Cash at Bank and in hand		<u>367</u>		<u>367</u>
		29,635		30,565
Less: Creditors				
Amounts falling due within one year	14	(139,926)		(133,644)
Net Current Liabilities			(110,291)	(103,079)
Total Assets less Current Liabilities			174,294	191,029
Less: Creditors				
Amounts falling due after one year	15		(92,008)	(84,187)
Net Assets			82,286	106,842
			=====	=====
Capital and Reserves				
Called up Share capital	17		25,000	25,000
Share premium account	18		54,000	54,000
Investment property revaluation reserve	19		(45,000)	(45,000)
Profit and loss account			<u>48,286</u>	<u>72,842</u>
			82,286	106,842
			=====	=====

Approved by the Board on 27 January 2000



N A G Ringner

(Directors)



I M Macdonald

THE GLASS BOAT COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 1999****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 £110,079. 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 £42,165 which was within the agreed facility of £50,000.

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

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

If the company were unable to continue in operation 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 2000 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.

Basis of Accounting

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

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

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 requirements of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principal 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 property for the financial year would have been reduced by depreciation on the revalued property of £3,600 (1998: £3,600).

Full valuations are made by independent professionally qualified valuers at least 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 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 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.

Investment Income

Investment income is included in the profit and loss account on an accruals basis.

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

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 turnovers derived 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 assets will crystallise.

Investment Income

Rents receivable is 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.

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

	1999 £	1998 £
2 Net Operating Expenses		
Net operating expenses are made up as follows:		
Administration expenses	241,266	228,782
Less: Other operating income	<u>10,691</u>	<u>3,955</u>
	230,575	224,827
	=====	=====
3 Operating Profit		
The operating profit is shown after charging:		
Depreciation of tangible fixed assets	19,099	26,740
Auditors' remuneration	2,100	3,800
Profit on disposal of fixed assets	-	-
Operating lease rentals - leasehold property	17,000	17,000
	=====	=====
4 Directors' emoluments		
Fees for management	39,290	37,919
	=====	=====

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

	1999	1998
5 Employee Information		
The average number of persons employed by the company (including directors) during the year was:		
	Number	Number
By activity:		
Kitchen and cleaning	15	15
Serving	15	15
Administration	<u>3</u>	<u>3</u>
	33	33
	==	==
	£	£
Their total remuneration was:		
Wages and salaries	290,919	259,523
Social security costs	<u>23,486</u>	<u>17,664</u>
	314,405	277,187
	=====	=====
6 Investment Income		
Income from fixed asset investment company	15,756	15,756
	=====	=====
7 Interest Payable and Similar Charges		
Bank loans and overdrafts	11,979	12,727
	=====	=====
8 Taxation		
United Kingdom corporation tax payable at 21 % (1998: 21 %)	212	12,528
(Over) provision in respect of prior years		
Current	<u>(238)</u>	<u>(138)</u>
	(26)	12,390
	=====	=====

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

	1999	1998
9 Dividends		
Interim paid of £0.80 per share (£1998: £0.80)	20,000	20,000
	=====	=====

10 Tangible Assets

	Motor Vehicles	Short Leasehold Property Improve- ments	The Glass Boat	Plant and Machinery	Fixtures and Fittings	Total
Cost						
At 1 May 1998	12,000	33,376	120,140	21,114	185,864	372,494
Additions	_____	<u>371</u>	_____	<u>1,459</u>	<u>6,766</u>	<u>8,596</u>
At 30 April 1999	<u>12,000</u>	<u>33,747</u>	<u>120,140</u>	<u>22,573</u>	<u>192,630</u>	<u>381,090</u>
Depreciation						
At 1 May 1998	3,938	15,393	64,121	19,586	130,348	233,386
Charge for year	<u>2,015</u>	<u>1,678</u>	<u>6,000</u>	<u>1,621</u>	<u>7,785</u>	<u>19,099</u>
At 30 April 1999	<u>5,953</u>	<u>17,071</u>	<u>70,121</u>	<u>21,207</u>	<u>138,133</u>	<u>252,485</u>
Net Book Value						
At 30 April 1999	6,047	16,676	50,019	1,366	54,497	128,585
	=====	=====	=====	=====	=====	=====
At 30 April 1998	8,062	17,983	56,019	1,528	55,516	139,108
	=====	=====	=====	=====	=====	=====

Investment Property**Freehold
Property**

Valuation

At 1 May 1998 and at 30 April 1999

135,000
=====

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

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

At 30 April 1997 the directors obtained an external professional valuation of the property from Vale Services, Chartered Surveyors in Bristol, on an open market value basis.

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:

	1999 £	1998 £
Cost	180,000	180,000
Aggregate depreciation based on cost	(30,900)	(27,300)
	149,100	152,700
	=====	=====
11 Fixed Asset Investment	Associated Undertaking	1998
	1999	
Cost and net book value		
At 1 May 1998	20,000	-
Addition	<u>1,000</u>	<u>20,000</u>
At 30 April 1999	21,000	20,000
	=====	=====

Associated Undertaking

The company originally acquired 11.43% of the issued £1 ordinary share capital of Byzantium Limited which runs a restaurant in Bristol. In October 1998, the company acquired a further 1000 shares at £1, making its investment 11.17% of the issued £1 ordinary share capital of Byzantium Limited. The company prepares its accounts at 30 April each year, having begun trading on 1 May 1998. No group accounts are prepared as the company qualifies as a small company under the Companies Act 1985.

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

12 Stocks

The amounts attributable to different categories are as follows:

Consumables	16,154	17,273
	=====	=====

13 Debtors: Amounts falling due within one year

Trade debtors	6,265	5,867
Other debtors	612	352
Prepayments and accrued income	<u>6,237</u>	<u>6,706</u>
	13,114	12,925
	=====	=====

14 Creditors: Amounts falling due within one year

Bank loans and overdraft (see note 15)	55,365	42,314
Trade creditors	39,726	41,807
Other creditors including:		
Taxation and Social security (see below)	28,027	33,894
Other creditors	4,380	8,835
Accruals	<u>12,428</u>	<u>6,794</u>
	139,926	133,644
	=====	=====

See note 15 below for details of security on bank loans and overdrafts.

Taxation and Social Security is made up as follows:

United Kingdom corporation tax payable	212	7,541
PAYE and Social Security	7,534	5,186
VAT	<u>20,285</u>	<u>21,167</u>
	28,027	33,894
	=====	=====

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 30 APRIL 1999

	1999 £	1998 £
12 Creditors: Amounts falling due after more than one year		
Bank overdraft	42,165	32,314
Secured bank loan at 2.5% above bank base rate repayable by monthly instalments expiring in 2007	87,193	94,187
Secured bank loan at 2.5% above bank base rate repayable by monthly instalments expiring in 2004	<u>18,015</u>	<u>-</u>
	147,373	126,501
Less: Amounts due within one year	<u>(55,365)</u>	<u>(42,314)</u>
Bank loans	92,008	84,187
	=====	=====
Bank loans and overdrafts are repayable as follows:		
In one year or less	55,365	42,314
Between one and two years	13,200	10,000
Between two and five years	39,600	30,000
In five years or more	<u>39,208</u>	<u>44,187</u>
	147,373	126,501
	=====	=====
Included in bank loans and overdrafts above are loans repayable by instalments, partly in more than five years:		
Secured bank loan (see above)	87,193	94,187
	=====	=====

The bank loans and overdrafts 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 GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

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 1999	1998	Amount Unprovided 1999	1998
Accelerated capital allowances	-	-	5,600	7,319
	=====	=====	=====	=====

There is no movement on the provision for deferred taxation.

	1999 £	1998 £
17 Called Up Share Capital		
Authorised		
25,000 ordinary shares of £1 each	25,000	25,000
	=====	=====
Called up, allotted and fully paid		
25,000 ordinary shares of £1 each	25,000	25,000
	=====	=====
18 Share Premium Account		
As at 30 April 1998 and 1999	54,000	54,000
	=====	=====
19 Investment Property Revaluation Reserve		
Temporary deficit in market value of freehold property (see Note 10)	(45,000)	(45,000)
	=====	=====

THE GLASS BOAT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 30 APRIL 1999

	1999 £	1998 £
20 Operating Leases		
At 30 April 1999 the company had annual commitments under non-cancellable operating leases in respect of land and buildings as follows:		
Expiring in over five years	17,000 =====	17,000 =====
21 Reconciliation of Movements in Shareholders' Funds		
Opening shareholders' funds	106,842	93,328
(Loss)/Profit for the financial year	<u>(24,556)</u>	<u>13,514</u>
	82,286 =====	106,842 =====
22 Related Party Transaction		
During the year the company paid rent, for use of office space on commercial terms, totalling £4,000 to N A G Ringer (Director).		
22 Controlling Party		
Mr N A G Ringner is the controlling party by virtue of his controlling interest in the company's share capital.		