

MELBOURNE LIBERAL CLUB  
AND  
PUBLIC HALL COMPANY LIMITED  
COMPANY NO. 28269

ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
30TH JUNE 1998



HARRISON, SEDGWICK, KULTARAN SINGH & CO  
CHARTERED ACCOUNTANTS  
4TH FLOOR, SITWELL HOUSE  
SITWELL STREET  
DERBY

MELBOURNE LIBERAL CLUB AND PUBLIC HALL COMPANY LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1998

COMPANY NO. 28269

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REPORT OF THE DIRECTORS

The Directors present their annual report with the accounts of the company for the year ended 30th June 1998.

**PRINCIPAL ACTIVITY**

The principal activity of the Company continued to be the provision of Club and Hall facilities.

**DIRECTORS**

The Directors in office in the year and their beneficial interest in the issued ordinary share capital were as follows:-

	Ordinary Shares of 50p each	
	30.6.98	30.6.97
E. Mason	24	24
R. Robey	24	24
G. W. Parsons	24	24
M. Brown	24	24
J. A. Dando	5	5
G. W. Smith	5	5

Messrs E.Mason, R.Robey and G.W.Smith retire by rotation and offer themselves for re-election.

**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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those accounts, the Directors are required to:-

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

The above report has been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of Directors

.....  
G. W. Parsons  
Secretary

Approved by the Board 12th November 1998

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF  
MELBOURNE LIBERAL CLUB AND PUBLIC HALL COMPANY LIMITED

In accordance with instructions given to us, we have prepared, without carrying out an audit, the Profit and Loss Account and Balance Sheet from the Company's accounting records and from information and explanations supplied to us.

*Harrison Sedgwick Kultaran Singh & Co*

.....  
HARRISON, SEDGWICK, KULTARAN SINGH & CO  
Chartered Accountants

4TH FLOOR, SITWELL HOUSE  
SITWELL STREET  
DERBY, DE1 2JT

12TH NOVEMBER 1998

MELBOURNE LIBERAL CLUB AND PUBLIC HALL COMPANY LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE 1998

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	<u>Notes</u>	<u>1998</u>	<u>1997</u>
Turnover	2	191,694	196,101
Change in Stock		(585)	263
		<u>191,109</u>	<u>196,364</u>
Beer, Wines and Spirits	99,591	101,247	
Minerals, Crisps and Sundries	7,485	6,648	
Cigars, etc.	1,749	2,246	
		<u>108,825</u>	<u>110,141</u>
		82,284	86,223
Staff costs:	3		
Steward's Salary	15,268	15,809	
Other Wages	23,976	19,628	
Secretary's Remuneration	3,632	3,946	
Directors' Remuneration	165	209	
Social Security Costs	1,890	1,878	
Depreciation	1	3,130	
Other operating charges:			
Rates and Insurance	7,977	7,303	
Heating and Lighting	1,354	4,066	
Steward's Motor Expenses	323	161	
Repairs and Renewals	5,105	33,927	
Refreshments and Entertainment	10,507	9,156	
Hire of Plant and Equipment	10	-	
Postage, Stationery, Telephone, etc	529	548	
Gaming Licences	2,762	2,762	
Advertising	53	14	
Bank Charges	272	215	
Legal and Professional Charges	275	325	
Accountancy Charges	2,665	2,675	
Cleaning and Sundry Expenses	2,644	3,446	
Loss on Disposal of Fixed Assets	124	35	
		<u>82,499</u>	<u>109,233</u>
OPERATING LOSS		(215)	(23,010)
Interest Received	5	571	414
Income from Unit Trusts		683	687
Morgan Grenfell Compensation		-	930
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,039	(20,979)
Tax on profit on ordinary activities 6		(462)	794
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		577	(20,185)
Dividends	7	(1,107)	(830)
Unclaimed Dividends Forfeited		390	-
NET LOSS FOR THE YEAR		(140)	(21,015)
Retained Profit Brought Forward		24,531	45,546
RETAINED PROFIT CARRIED FORWARD		<u>£ 24,391</u>	<u>£ 24,531</u>

MELBOURNE LIBERAL CLUB AND PUBLIC HALL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1998

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the loss for the two financial years ended 30th June 1998.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material. The only adjustment would be for the £769 difference between £905 depreciation on the revalued amount of Freehold Land and Buildings and £136 depreciation on the historical cost basis.

BALANCE SHEETAS AT 30TH JUNE 1998

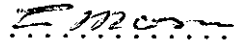
	<u>Notes</u>	<u>1998</u>	<u>1997</u>
FIXED ASSETS			
Tangible Assets	8	47,782	49,417
CURRENT ASSETS			
Stocks		4,474	5,059
Debtors:			
Trade Debtors		60	60
Other Debtors		-	2,591
Prepayments and Accrued Income	9	7,232	3,498
Investments	10	39,311	39,270
Cash at Bank and in Hand		21,044	20,537
		<u>72,121</u>	<u>71,015</u>
CREDITORS: amounts falling due within one year			
Trade Creditors		6,490	5,692
Other Creditors Including			
Taxation and Social Security	11	45,326	46,035
Accruals		2,306	2,725
Proposed Dividend		1,107	830
Unclaimed Dividends		320	656
		<u>55,549</u>	<u>55,938</u>
NET CURRENT ASSETS		16,572	15,077
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 64,354</u>	<u>£ 64,494</u>
CAPITAL AND RESERVES			
Called up Share Capital	13	1,384	1,384
Revaluation Reserve		38,429	38,429
Other Reserves		150	150
Profit and Loss Account		24,391	24,531
SHAREHOLDERS' FUNDS (equity interests)		<u>£ 64,354</u>	<u>£ 64,494</u>

MELBOURNE LIBERAL CLUB AND PUBLIC HALL COMPANY LIMITEDBALANCE SHEETAS AT 30TH JUNE 1998

For the financial year ended 30th June 1998, the Company was entitled to exemption from audit under section 249A(2) Companies Act 1985; and no notice has been deposited under section 249B(2). The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the Company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on Behalf of  
the Board of Directors

  
.....  
E. Mason  
Director

Approved by the Board: 18th November 1998



NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 1998

1. ACCOUNTING POLICIES

**Basis of Accounting**

The accounts have been prepared under the historical cost convention, modified by the revaluation of freehold land and buildings. The principal accounting policies which the Directors have adopted are set out below.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Freehold Land and Buildings	2% Straight line basis
Gaming Machines	30% Reducing balance basis
Fixtures and Fittings	10% Reducing balance basis

Depreciation is charged for the whole year of acquisition, but none is charged for the year of disposal. No provision is made for the replacement cost of fixed assets.

**Stock**

Stock has been valued at the lower of cost and net realisable value.

**Deferred Taxation**

Deferred taxation is provided under the liability method in respect of all material timing differences between the profits as computed for taxation purposes and the profits as stated in the financial statements, to the extent that it is probable that a liability or asset will crystallise. The rate of tax used is that which is expected to be applied when the liability or asset is expected to crystallise.

**Operating Leases**

Rentals under operating leases are charged to the profit and loss account as they fall due.

**Cash Flow Statement**

The company has taken advantage of the exemption provided by Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 1998

2. TURNOVER

Turnover is the amount, stated net of value added tax, derived from the provision of goods and services falling within the Company's ordinary activities, and is made up as follows:-

	<u>1998</u>	<u>1997</u>
Bar Sales	173,523	174,212
Gaming Machine Receipts	9,452	12,557
Members' Subscriptions	551	588
Hall Lettings	1,467	1,171
Billiards Receipts	1,099	1,259
Cigarette Machine Commissions	277	332
Net Income from Raffles	1,351	1,464
Bass Discount	3,974	4,518
	<u>£191,694</u>	<u>£196,101</u>

Bar trading showed a gross profit percentage on sales of 36.95% (1997 36.93%) as follows:-

Sales	173,523	174,212
Less: Cost of Sales	109,410	109,878
Gross Profit	<u>£ 64,113</u>	<u>£ 64,334</u>

Net income from gaming machines was as follows:-

Receipts	9,452	12,557
Less: Licences	2,762	2,762
	<u>£ 6,690</u>	<u>£ 9,795</u>

3. STAFF COSTS

Remuneration - Paid to Directors	19,065	19,964
- Paid to Others	23,976	19,628
Social Security Costs	1,890	1,878
	<u>£ 44,931</u>	<u>£ 41,470</u>

The average number of employees who worked more than sixteen hours per week during the year was as follows:-

Management and Office	2	2
Cleaners and Bar Staff	3	3

4. DIRECTORS' EMOLUMENTS Included  
in Staff Costs

In Respect of Services as Directors	165	209
In Respect of Services as Steward	15,268	15,809
In Respect of Services as Secretary	3,632	3,946
	<u>£ 19,065</u>	<u>£ 19,964</u>

MELBOURNE LIBERAL CLUB AND PUBLIC HALL COMPANY LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1998

5. <u>INTEREST RECEIVED</u>	<u>1998</u>	<u>1997</u>		
Bank Accounts	479	229		
Building Society Account	79	185		
Interest on Corporation Tax Repaid	13	-		
	<u>£ 571</u>	<u>£ 414</u>		
6. <u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u>				
Based on the Profit for the Year				
Corporation Tax at 21%	352	(914)		
Tax attributable to Franked Investment Income	110	120		
(Charge)/Credit	<u>£ (462)</u>	<u>£ 794</u>		
7. <u>DIVIDENDS</u>				
Proposed	<u>£ 1,107</u>	<u>£ 830</u>		
8. <u>TANGIBLE FIXED ASSETS</u>				
	<u>Freehold Land and Buildings</u>	<u>Gaming Machines</u>	<u>Fixtures &amp; Fittings</u>	<u>Total</u>
COST OR VALUATION				
At 1.7.97	45,216	2,327	35,750	83,293
Additions	-	-	1,500	1,500
(Disposals)	-	-	(255)	(255)
At 30.6.98	<u>45,216</u>	<u>2,327</u>	<u>36,995</u>	<u>84,538</u>
DEPRECIATION				
At 1.7.97	13,415	1,484	18,977	33,876
(Disposals)	-	-	(88)	(88)
Charge for year	905	253	1,810	2,968
At 30.6.98	<u>14,320</u>	<u>1,737</u>	<u>20,699</u>	<u>36,756</u>
NET BOOK VALUE				
At 30.6.98	<u>£ 30,896</u>	<u>£ 590</u>	<u>£ 16,296</u>	<u>£ 47,782</u>
At 30.6.97	<u>£ 31,801</u>	<u>£ 843</u>	<u>£ 16,773</u>	<u>£ 49,417</u>

The company's freehold property was valued by Maynard & Co. on 23 January 1984. In their opinion the open market value for the existing use at that time was £40,000 as compared with the original cost of £1,571. The valuation has been incorporated in the balance sheet and the surplus over original cost of £38,429 is included in the revaluation reserve. Depreciation each year is based on the amount of the revaluation. Any potential deferred tax on the revaluation has not been quantified as the amount would not be significant and the property is retained for use in the business and the likelihood of any material liability arising is remote.

MELBOURNE LIBERAL CLUB AND PUBLIC HALL COMPANY LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 1998

8. TANGIBLE FIXED ASSETS (continued)

In view of the insignificant amount involved, no attempt has been made to exclude the value of the land from the value of land and buildings in arriving at the depreciation charge. On an historical cost basis, land and buildings would have been included as follows:-

	<u>1998</u>	<u>1997</u>
Cost	6,786	6,786
Accumulated Depreciation	<u>1,919</u>	<u>1,784</u>
Net Book Value	<u>£ 4,867</u>	<u>£ 5,002</u>

9. PREPAYMENTS AND DEFERRED INCOME

Payments in Advance	6,695	2,496
Advance Corporation Tax in Respect of Proposed Dividend	277	208
Corporation Tax Repayable	-	794
Surplus Advance Corporation Tax	<u>260</u>	<u>-</u>
	<u>£ 7,232</u>	<u>£ 3,498</u>

The two amounts shown in respect of Advance Corporation Tax are both due after one year

10. INVESTMENTS

Derbyshire Building Society	2,018	2,379
Unit Trusts - Listed	<u>37,293</u>	<u>36,891</u>
	<u>£ 39,311</u>	<u>£ 39,270</u>
The Market Value of the Unit Trusts at 30th June 1998	<u>£ 56,588</u>	<u>£ 47,034</u>

If the Unit Trusts investments were realised at their market value the liability to taxation on the capital gain would amount to approximately £3,500.

11. OTHER CREDITORS INCLUDING  
TAXATION AND SOCIAL SECURITY

Corporation Tax	-	421
PAYE and National Insurance	936	846
Advance Corporation Tax on this Year's Dividend	277	208
Value Added Tax	3,960	1,255
Other Creditors	2,531	3,575
Bass Write-Off Loan	<u>37,622</u>	<u>39,730</u>
	<u>£ 45,326</u>	<u>£ 46,035</u>

MELBOURNE LIBERAL CLUB AND PUBLIC HALL COMPANY LIMITED

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 30TH JUNE 1998

12. DEFERRED TAXATION

As there is no likelihood of any liability arising for the foreseeable future no provision has been made. The amount of unprovided deferred tax is as follows:-

Accelerated Capital Allowances	1,886	1,696
Losses	(4,207)	(2,963)
	<hr/>	<hr/>
	£ Nil	Nil
	<hr/>	<hr/>

13. CALLED UP SHARE CAPITAL

Authorised:

4,000 shares of 50p each	£ 2,000	£ 2,000
	<hr/>	<hr/>

Allotted, issued and fully paid:

2,768 ordinary shares of 50p each	£ 1,384	£ 1,384
	<hr/>	<hr/>

14. CAPITAL COMMITMENTS

Contracted, but not provided for  
in the accounts

Nil	Nil
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15. MEMBERSHIP

Men Under 65	418	412
Men Over 65	32	68
Women Under 60	236	242
Women Over 60	42	74
	<hr/>	<hr/>
	728	796
	<hr/>	<hr/>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit/(Loss) for the financial year after taxation	577	(20,185)
Dividends	(1,107)	830
Unclaimed Dividends Forfeited	390	-
	<hr/>	<hr/>
	(140)	(21,015)
Opening Shareholders' Funds	64,494	85,509
	<hr/>	<hr/>
Closing Shareholders' Funds (attributable to equity interests)	£ 64,354	£ 64,494
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