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HOTCHKISS PATENTS AND INVESTMENTS LIMITED  
AND SUBSIDIARY COMPANIES  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
31ST OCTOBER 1984

KIDSONS  
Chartered Accountants



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31st October 1984.

## PRINCIPAL ACTIVITIES

The principal activity of the company and its subsidiary is the operation of amusement parks.

## PROFITS AND DIVIDENDS

The profit for the year after taxation amounted to £4,262.  
The directors do not recommend payment of a dividend.

## FINANCIAL POSITION

The company's balance sheet as detailed on page 5 shows a satisfactory position with shareholders' funds amounting to £7,087.

## DIRECTORS

The following were directors for the whole of the period:-

L. D. Thompson  
W. G. Thompson  
B. J. Thompson  
P. J. Stones  
A. J. Thompson  
F. C. Thompson

The directors retiring at the annual general meeting are Miss F.C. Thompson and Mr. P.J. Stones who, being eligible, offer themselves for re-election.

## DIRECTORS' SHAREHOLDING

The interests of the directors in the company's share capital are set out below:-

<u>Director</u>	<u>Ordinary Shares of £1 each</u>	
	<u>1984</u>	<u>1983</u>
L.D. Thompson	2,134	2,134
W.G. Thompson	1,500	1,500
B.J. Thompson	Nil	Nil
P.J. Stones	Nil	Nil
A.J. Thompson	Nil	Nil
F.C. Thompson	Nil	Nil

In addition, Mr. W.G. Thompson had a non-beneficial interest as trustee in a further 1,366 Ordinary Shares at 31st October 1983 (1983 - 1,366). None of the directors have any beneficial interest in the share capital of any other company in the group.

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

DIRECTORS' REPORT (Continued)

FIXED ASSETS

Changes in fixed assets during the year are set out in note 8 to the financial statements.

AUDITORS

The auditors, Messrs. Kidsons, Chartered Accountants, have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

By Order of the Board

C. WREN-HILTON

Secretary

Registered Office:

69 Aldwych,  
London WC2B 4DY

19th February 1985

HOTCHKISS PATENTS AND INVESTMENTS LIMITEDREPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements set out on pages 4 to 14 in accordance with approved Auditing Standards.

Under the terms of the lease of the amusement park which the company operates a review of the rent payable was due in April 1984. Negotiations with the landlord are at an early stage and whilst provision has been made in these financial statements for an estimated increase in the rent payable, the outcome of these negotiations cannot be forecast with any certainty.

Subject to the foregoing, the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, give a true and fair view of the state of the group and of the company at 31st October 1984 and of its results and source and application of funds of the group for the year ended on that date and comply with the Companies Acts 1948 to 1981.

*Kidsons*

KIDSONS  
Chartered Accountants

Royal Exchange,  
Manchestere M2 7FB

19th February 1985

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 1984

	(Note)	<u>1984</u> £	<u>1983</u> £
TURNOVER	(1c)	634,725	533,482
Cost of sales	(1d)	372,705	350,313
GROSS PROFIT		<u>262,020</u>	<u>183,169</u>
Administrative expenses		<u>253,532</u>	<u>169,482</u>
OPERATING PROFIT		8,488	13,687
Interest receivable	(2)	-	13
Interest payable	(2)	<u>(5,080)</u>	<u>(8,446)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(2)	3,408	5,254
Taxation	(6)	<u>(854)</u>	<u>1,750</u>
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>4,262</u> =====	<u>3,504</u> =====

The notes on pages 8 to 14 form part  
of these financial statements.

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31ST OCTOBER 1984

	(Note)	£	<u>1984</u>	£	£	<u>1983</u>	£
FIXED ASSETS							
Intangible assets	(7)		78,439			78,439	
Tangible assets	(8)		100,665			75,700	
Investments	(9)		1			1	
			<u>179,105</u>			<u>154,140</u>	
CURRENT ASSETS							
Stocks	(10)	-			1,798		
Debtors	(11)	24,659			3,486		
Cash in hand and at bank		1,245			1,741		
		<u>25,904</u>			<u>7,025</u>		
CREDITORS: Amounts falling due within one year:	(12)	147,922			106,590		
NET CURRENT LIABILITIES			(122,018)			(99,565)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>57,087</u>			<u>54,575</u>	
CREDITORS: Amounts falling due after more than one year	(12)	50,000			50,000		
PROVISIONS FOR LIABILITIES AND CHARGES	(13)	-			1,750		
			<u>50,000</u>			<u>51,750</u>	
NET ASSETS/(LIABILITIES)			<u>7,087</u>			<u>2,825</u>	
CAPITAL AND RESERVES							
Called up share capital	(14)		5,000			5,000	
Capital reserve	(15)		7,097			7,097	
Share premium	(15)		8,000			8,000	
Profit and loss account	(15)		(13,010)			(17,272)	
SHAREHOLDERS' FUNDS			<u>7,087</u>			<u>2,825</u>	

These financial statements were approved by the Board of Directors on 19th February 1985

L.D. THOMPSON )

Directors

W.G. THOMPSON )

The notes on pages 8 to 14 form part of these financial statements.

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

## BALANCE SHEET - 31ST OCTOBER 1984

	(Note)	£	1984	£	£	1983	£
FIXED ASSETS							
Tangible assets	(8)		1,314			2,542	
Investments	(9)		122,304			122,304	
			<u>123,618</u>			<u>124,846</u>	
CURRENT ASSETS							
Debtors	(11)	134,720			83,432		
Cash in hand and at bank		100			695		
		<u>134,820</u>			<u>84,127</u>		
CREDITORS: Amounts falling due within one year:	(12)	131,106			93,687		
NET CURRENT ASSETS/(LIABILITIES)			3,714			(9,560)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>127,332</u>			<u>115,286</u>	
CREDITORS: Amounts falling due after more than one year	(12)		(50,000)			(50,000)	
NET ASSETS			<u>77,332</u>			<u>65,286</u>	
CAPITAL AND RESERVES							
Called up share capital	(14)		5,000			5,000	
Capital reserve	(15)		7,097			7,097	
Share premium	(15)		8,000			8,000	
Profit and loss account	(15)		57,235			45,189	
SHAREHOLDERS' FUNDS			<u>77,332</u>			<u>65,286</u>	

These financial statements were approved by the Board of Directors on 19th February 1985.

L.D. THOMPSON )

) Directors

W.G. THOMPSON )

The notes on pages 8 to 14 form part of these financial statements.

HOTCHKISS PATENTS AND INVESTMENTS LIMITED  
CONSOLIDATED SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST OCTOBER 1984

	<u>1984</u>		<u>1983</u>
	£	£	£
SOURCE OF FUNDS			
Profit on ordinary activities before taxation		3,408	5,254
Adjustment for items not involving the movement of funds:			
Depreciation of tangible fixed assets	52,635		53,439
Profit on sale of tangible fixed assets	(5,549)		(50)
	<hr/>		<hr/>
TOTAL GENERATED FROM OPERATIONS	50,494		58,643
FUNDS FROM OTHER SOURCES			
Sales of investments	-		51
Sales of tangible fixed assets	6,000		-
Group taxation relief	824		-
	<hr/>		<hr/>
	57,318		58,694
APPLICATION OF FUNDS			
Purchase of tangible fixed assets		78,051	6,250
		<hr/>	<hr/>
		(20,733)	52,444
		=====	=====
INCREASE/(DECREASE) IN WORKING CAPITAL			
Stocks	(1,798)		1
Debtors	21,883		(6,404)
Creditors	(35,321)		30,802
	<hr/>		<hr/>
		(15,236)	24,399
INCREASE/(DECREASE) IN NET LIQUID FUNDS			
Bank overdraft	(5,001)		27,985
Cash at bank and in hand	(496)		60
	<hr/>		<hr/>
		(5,497)	28,045
		<hr/>	<hr/>
		(20,733)	52,444
		=====	=====



HOTCHKISS PATENTS AND INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1984

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost accounting rules except for certain tangible fixed assets which are stated at revalued amounts. The company has not presented its own profit and loss account as permitted by Section 149(5) of the Companies Act 1948.

b) Basis of Consolidation

The consolidated financial statements comprise the audited financial statements of the holding company and all subsidiaries made up to 31st October 1984.

c) Turnover

Turnover represents the value, excluding value added tax, of goods sold, concession income and services provided to third parties.

d) Cost of Sales

Cost of sales is stated as all those costs directly incurred by the group including depreciation and an appropriate proportion of overheads, in order to bring each product sold to its saleable condition and to provide the services to customers.

e) Depreciation

Depreciation is calculated to write off the cost or valuation of all tangible fixed assets, other than freehold land which is not depreciated, in equal annual instalments over their estimated useful lives. Amusement devices are written off over two to twelve years during the first two seasons of operation and at the end of that period their useful lives are re-assessed at a period not exceeding ten years. The following rates have been issued:

Leasehold Properties	- Over the period of the lease
Amusement Devices	- 15% - 25% p.a.
Plant and Machinery	- 10% - 50% p.a.
Motor Vehicles	- 20%, 25% and 50% p.a.

f) Deferred Taxation

Deferred taxation is provided at current taxation rates under the liability method to take account of timing differences which arise between profits as stated in the financial statements and as computed for tax purposes.

HOTCHKISS PATENTS AND INVESTMENTS LIMITED  
NOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1984

(Continued)

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1984</u> £	<u>1983</u> £
The profit on ordinary activities before taxation is stated after charging:		
Interest on other loans	5,080	8,446
Depreciation	52,635	53,439
Auditors' remuneration	1,025	950
Directors' emoluments (including pension contributions)	17,000	14,361
	=====	=====
And after crediting:		
Profit on disposal of fixed assets	5,549	-
Profit on sale of investments	-	50
Bank interest	-	13
	=====	=====

3. PROFIT FOR THE FINANCIAL YEAR

	<u>1984</u> £	<u>1983</u> £
Dealt with in the financial statements of the company	12,046	(6,658)
Retained by subsidiaries	(7,784)	10,162
	=====	=====
	4,262	3,504
	=====	=====

4. DIRECTORS' EMOLUMENTS

	<u>1984</u> £	<u>1983</u> £
As directors fees	11,000	9,500
For management	6,000	5,131
	=====	=====
	17,000	14,631
	=====	=====
Emoluments excluding pension contributions, are analysed as follows:-		
Chairman	4,000	4,046
	=====	=====
Highest paid director	7,000	6,085
	=====	=====
Number of other directors whose emoluments are within the range:-		
£0 - £ 5,000	4	4
	=====	

# HOTCHKISS PATENTS AND INVESTMENTS LIMITED

## NOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1984

(Continued)

### 5. STAFF COSTS

a) The average number of persons including directors employed by the group during the year was:

	<u>1984</u>	<u>1983</u>
Permanent staff	19	12
Seasonal staff	9	47
	<u>28</u>	<u>59</u>
	=====	=====

b) The aggregate costs of employment were as follows:-

	<u>£</u>	<u>£</u>
Wages and salaries	186,127	118,487
Social Security costs	15,827	16,127
	<u>201,954</u>	<u>134,614</u>
	=====	=====

### 6. TAXATION

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
United Kingdom Corporation Tax at 32%	1,010	-
Group relief receivable	(824)	-
Transfer (from)/to deferred taxation	(1,750)	1,750
Prior year adjustment	710	-
	<u>(854)</u>	<u>1,750</u>
	=====	=====

### 7. INTANGIBLE ASSETS

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Goodwill arising on consolidation	78,439	78,439
	=====	=====

## HOTCHKISS PATENTS AND INVESTMENTS LIMITED

## NOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1984

(Continued)

## 8. TANGIBLE FIXED ASSETS

<u>GROUP</u>	<u>Leasehold Property</u> £	<u>Amusement Devices</u> £	<u>Plant and Machinery</u> £	<u>Vehicles</u> £	<u>Total</u> £
<u>Cost or Valuation</u>					
1st November 1983	25,950	342,741	22,148	7,681	398,520
Additions	20,000	55,551	2,000	500	78,051
Disposals	-	(7,281)	-	-	(7,281)
31st October 1984	45,950	391,011	24,148	8,181	469,290
<u>Depreciation</u>					
1st November 1983	15,864	291,287	11,139	4,530	322,820
Charge for year	2,676	44,217	3,720	2,022	52,635
Disposals	-	(6,830)	-	-	(6,830)
31st October 1984	18,540	328,674	14,859	6,552	368,625
<u>Net Book Amount</u>					
31st October 1984	27,410	62,337	9,289	1,629	100,665
31st October 1983	10,086	51,454	11,009	3,151	75,700
<u>COMPANY</u>					
<u>Cost or Valuation</u>					
1st November 1983	-	4,223	2,200	3,100	9,523
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
31st October 1984	-	4,223	2,200	3,100	9,523
<u>Depreciation</u>					
1st November 1984	-	4,221	1,520	1,240	6,981
Charge for year	-	-	600	628	1,228
Disposals	-	-	-	-	-
31st October 1984	-	4,221	2,120	1,868	8,209
<u>Net Book Amount</u>					
31st October 1984	-	2	80	1,232	1,314
31st October 1983	-	2	680	1,860	2,542

HOTCHKISS PATENTS AND INVESTMENTS LIMITED  
NOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1984

(Continued)

9. INVESTMENTS

<u>Group</u>	<u>Unlisted</u>	
	<u>1984</u> £	<u>1983</u> £
At directors valuation	1 =====	1 =====
Company	<u>Shares in Group Company</u>	
	<u>1984</u> £	<u>1983</u> £
At cost	122,304 =====	122,304 =====

10. STOCKS

	<u>1984</u> £	<u>1983</u> £
Repair stock and consumables	- =====	1,798 =====

11. DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>1984</u> £	<u>1983</u> £	<u>1984</u> £	<u>1983</u> £
Due within one year				
Deposit - South Shore Mutual Insurance Co. Ltd.	1,000	1,000	1,000	1,000
Taxation recoverable	-	240	-	240
Other debtors	23,659	2,246	14,626	-
Group companies	-	-	119,094	82,192
	<u>24,659</u> =====	<u>3,486</u> =====	<u>134,720</u> =====	<u>83,432</u> =====

12. CREDITORS

	<u>Group</u>		<u>Company</u>	
	<u>1984</u> £	<u>1983</u> £	<u>1984</u> £	<u>1983</u> £
Amounts falling due within one year:-				
Bank overdraft	5,372	371	5,372	371
Taxation	15,523	14,150	5,131	4,169
Accruals	54,536	21,808	48,112	18,886
Other creditors	72,491	70,261	72,491	70,261
	<u>147,922</u> =====	<u>106,590</u> =====	<u>131,106</u> =====	<u>93,687</u> =====
Amounts falling due after more than one year:-			<u>1984</u> £	<u>1983</u> £
10% Unsecured loan stock 1987/1996			50,000 =====	50,000 =====

HOTCHKISS PATENTS AND INVESTMENTS LIMITEDNOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1984

(Continued)

## 13. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Group</u> £	<u>Company</u> £
Deferred taxation at 1st November 1983	1,750	-
Transfer from profit and loss account	(1,750)	-
At 31st October 1984	<u>-</u>	<u>-</u>
	=====	=====

## 14. SHARE CAPITAL

	<u>1984 and 1983</u> <u>Authorised</u> £	<u>Issued and</u> <u>Fully Paid</u> £
Ordinary shares of £1 each	5,000	5,000
	=====	=====

## 15. RESERVES

<u>Group</u>	<u>Capital</u> <u>Reserve</u> £	<u>Share</u> <u>Premium</u> £	<u>Profit and</u> <u>Loss Account</u> £	<u>Total</u> £
At 1st November 1983	7,097	8,000	(17,272)	(2,175)
Profit for the year	-	-	4,262	4,262
At 31st October 1984	<u>7,097</u>	<u>8,000</u>	<u>(13,010)</u>	<u>2,087</u>
	=====	=====	=====	=====
<u>Company</u>				
At 1st November 1983	7,097	8,000	45,189	60,286
Profit for the year	-	-	12,046	12,046
At 31st October 1984	<u>7,097</u>	<u>8,000</u>	<u>57,235</u>	<u>72,332</u>
	=====	=====	=====	=====

## 16. SUBSIDIARY COMPANY

The company holds 100% of the issued share capital of Helters Limited, which is incorporated in the United Kingdom.

## 17. COMMITMENTS

The company is contractually committed to paying rent of £116,000 per annum, on the Amusement Park, Marine Drive, Southport, for the next 58 years. The rent payable is to be reviewed in April 1984 and every five years from