

**CASTLE LEISURE LIMITED**

**ANNUAL REPORT**

**52 WEEKS ENDED 31 DECEMBER 1995**

**Registered Number 118558**

**PANNELL  
KERR  
FORSTER**  
CHARTERED ACCOUNTANTS

CASTLE LEISURE LIMITED

ANNUAL REPORT

52 WEEKS ENDED 31 DECEMBER 1995

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## DIRECTORS' REPORT

The directors present their annual report, together with the financial statements for the 52 weeks ended 31 December 1995.

## 1 RESULTS AND DIVIDENDS

The profit for the financial period after tax amounted to £1,226,115.

Preference dividends of £150 were paid during the period.

An interim ordinary dividend of £65,797 was paid on 1 October 1995. The directors recommend that a final ordinary dividend of £83,451 be paid for the period on 1 June 1996. £1,076,717 has been transferred to reserves.

## 2 REVIEW OF THE BUSINESS

The company's principal activity for the period under review was the operation of bingo clubs and the provision of electronic entertainment and catering services within them.

Satisfactory profit progress was made in the period.

In the current period, Newport purpose built greenfield site will be opened and a further new build greenfield site will be developed at Merthyr Tydfil. The directors anticipate a period of consolidation at a time of intensifying competition.

## 3 DIRECTORS

The directors at the end of the period and their interests in the share capital of the company were as follows:

|   | Ordinary shares of<br>£1 each |                      | Preference shares of<br>£10 each          |
|---|-------------------------------|----------------------|---|
|   | At 31 December<br>1995        | At 2 January<br>1995 | At 31 December 1995<br>and 2 January 1995 |
| David Hunter Andrews                                      | 23,609                        | 23,609               | -   |
| Mrs Mary Hunter Yapp                                      | 16,527                        | 16,527               | 84  |
| Jeffrey Charles Harris                                    | 24,200                        | 9,200                | -   |
| Francis Keith Edwards                                     | 10,545                        | 10,545               | -   |
| David Scott Andrews                                       | 1,362                         | 1,362                | -   |
| Mrs Diane Elizabeth Stockford<br>(appointed 6 March 1995) | -                             | - *                  | -   |

\* At the date of her appointment.

## 4 FIXED ASSETS

Changes in fixed assets are shown in note 9 to the financial statements.

## 5 CHARITABLE DONATIONS

During the period the company made charitable donations of £2,275.

## 6 EMPLOYEE INVOLVEMENT

Regular meetings are held with employees at which the position of the company is fully discussed.

DIRECTORS' REPORT

7 EMPLOYMENT OF DISABLED PERSONS

It is the policy of the company to give full and sympathetic consideration to the employment, training, career development and promotion of disabled persons including those becoming disabled after their employment has commenced.

8 AUDITORS

The auditors Pannell Kerr Forster, Chartered Accountants, have signified their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

J C HARRIS

Director

A handwritten signature in dark ink, appearing to read 'J C Harris', is written over the printed name and title.

11 March 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

52 WEEKS ENDED 31 DECEMBER 1995

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

CASTLE LEISURE LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 8.

**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.

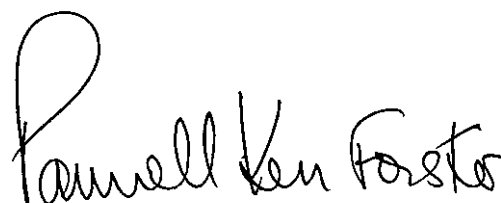
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards. 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Cardiff

11 March 1996

PANNELL KERR FORSTER

Chartered Accountants  
Registered Auditors

## PROFIT AND LOSS ACCOUNT

52 WEEKS ENDED 31 DECEMBER 1995

|   | Notes | 52 weeks<br>ended 31<br>December<br>1995<br>£ | 53 weeks<br>ended 1<br>January<br>1995<br>£ |
|---|-------|---|---|
| TURNOVER                                      |       | 8,439,669                                     | 7,085,840                                   |
| COST OF SALES                                 |       | <u>(1,631,986)</u>                            | <u>(1,215,408)</u>                          |
| GROSS PROFIT                                  |       | 6,807,683                                     | 5,870,432                                   |
| NET OPERATING EXPENSES                        | 2     | <u>(4,832,488)</u>                            | <u>(4,177,385)</u>                          |
| OPERATING PROFIT                              |       | 1,975,195                                     | 1,693,047                                   |
| DIVIDEND RECEIVABLE                           |       | <u>3,000</u>                                  | <u>3,000</u>                                |
| PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST |       | 1,978,195                                     | 1,696,047                                   |
| INTEREST PAYABLE                              | 5     | <u>(241,552)</u>                              | <u>(143,312)</u>                            |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 6     | 1,736,643                                     | 1,552,735                                   |
| TAX ON PROFIT ON ORDINARY ACTIVITIES          | 7     | <u>(510,528)</u>                              | <u>(517,315)</u>                            |
| PROFIT FOR THE FINANCIAL PERIOD               |       | 1,226,115                                     | 1,035,420                                   |
| DIVIDENDS                                     | 8     | <u>(149,398)</u>                              | <u>(113,975)</u>                            |
| RETAINED PROFIT FOR THE FINANCIAL PERIOD      | 17    | <u><u>1,076,717</u></u>                       | <u><u>921,445</u></u>                       |

All amounts relate to continuing operations.

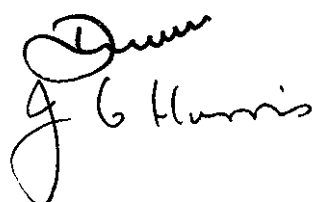
The company has no recognised gains or losses other than the profit for the year.

## BALANCE SHEET

31 DECEMBER 1995

|   | Notes | 31<br>December<br>1995<br>£ | 1<br>January<br>1995<br>£ |
|---|-------|-----------------------------|---------------------------|
| <b>FIXED ASSETS</b>                           |       |                             |                           |
| Tangible assets                               | 9     | <u>13,472,270</u>           | <u>10,054,555</u>         |
| <b>CURRENT ASSETS</b>                         |       |                             |                           |
| Stock   | 10    | 53,374                      | 38,801                    |
| Debtors                                       | 11    | 243,113                     | 111,969                   |
| Cash at bank and in hand                      |       | <u>74,959</u>               | <u>74,984</u>             |
|   |       | 371,446                     | 225,754                   |
| <b>CREDITORS</b>                              |       |                             |                           |
| Amounts falling due within one year           | 12    | <u>(3,304,725)</u>          | <u>(3,121,448)</u>        |
| <b>NET CURRENT LIABILITIES</b>                |       | <u>(2,933,279)</u>          | <u>(2,895,694)</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>  |       | <u>10,538,991</u>           | <u>7,158,861</u>          |
| <b>CREDITORS</b>                              |       |                             |                           |
| Amounts falling due after more than one year  | 12    | (3,364,933)                 | (1,103,372)               |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b> |       |                             |                           |
| Deferred taxation                             | 14    | (202,137)                   | (210,685)                 |
| <b>DEFERRED INCOME</b>                        | 15    | <u>(193,280)</u>            | <u>(202,880)</u>          |
|   |       | <u>(3,760,350)</u>          | <u>(1,516,937)</u>        |
| <b>NET ASSETS</b>                             |       | <u><u>6,778,641</u></u>     | <u><u>5,641,924</u></u>   |
| <b>CAPITAL AND RESERVES</b>                   |       |                             |                           |
| Called up share capital                       | 16    | 244,386                     | 229,386                   |
| Profit and loss account                       | 17    | 4,060,617                   | 2,983,900                 |
| Other reserves                                | 18    | <u>2,473,638</u>            | <u>2,428,638</u>          |
| <b>SHAREHOLDERS' FUNDS</b>                    | 19    | <u><u>6,778,641</u></u>     | <u><u>5,641,924</u></u>   |

Approved by the board on 11 March 1996



D H ANDREWS

J C HARRIS

) Directors



## CASH FLOW STATEMENT

52 WEEKS ENDED 31 DECEMBER 1995

|   | 52 weeks<br>ended 31<br>December<br>1995<br>£ | 53 weeks<br>ended 1<br>January<br>1995<br>£ |
|---|---|---|
| NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 20)                     | 2,532,237                                     | <u>2,344,599</u>                            |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:                        |   |   |
| Interest paid   | (227,107)                                     | (146,880)                                   |
| Dividends received  | 3,000   | 3,000                                       |
| Dividends paid  | <u>(127,132)</u>                              | <u>(101,927)</u>                            |
| NET CASH OUTFLOW FROM RETURNS ON INVESTMENT<br>AND SERVICING OF FINANCE | (351,239)                                     | <u>(245,807)</u>                            |
| CORPORATION TAX PAID  | (440,413)                                     | <u>(334,153)</u>                            |
| INVESTING ACTIVITIES  |   |   |
| Payments to acquire tangible fixed assets                               | (3,907,779)                                   | (2,495,197)                                 |
| Receipts from sales of tangible fixed assets                            | <u>41,499</u>                                 | <u>44,539</u>                               |
| NET CASH OUTFLOW FROM INVESTING ACTIVITIES                              | (3,866,280)                                   | <u>(2,450,658)</u>                          |
| NET CASH OUTFLOW BEFORE FINANCING                                       | (2,125,695)                                   | <u>(686,019)</u>                            |
| FINANCING   |   |   |
| Issue of ordinary shares  | 60,000  | 21,600                                      |
| New secured loan  | 3,055,037                                     | 1,534,280                                   |
| Repayment of amounts borrowed   | <u>(1,289,088)</u>                            | <u>(931,213)</u>                            |
| NET CASH INFLOW FROM FINANCING (Note 21)                                | 1,825,949                                     | <u>624,667</u>                              |
| (DECREASE) IN CASH AND CASH EQUIVALENTS (Note 22)                       | <u>(299,746)</u>                              | <u>(61,352)</u>                             |

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 31 DECEMBER 1995

## 1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

a) **Accounting convention**

The financial statements set out on pages 5 to 15 are prepared under the historical cost convention as modified by the revaluation of certain properties.

b) **Turnover**

Turnover represents admission fees, participation fees, gaming machine takings and the sale of food and drink net of bingo taxes and value added tax.

c) **Tangible fixed assets and depreciation**

Tangible fixed assets, other than freehold property, are depreciated on a straight line basis over their estimated useful lives as follows:

|   |           |
|---|-----------|
| Plant, fixtures, fittings and equipment | 10% - 40% |
| Motor vehicles                          | 25%       |

Investment properties are included at open market value. They are revalued annually in accordance with Statement of Standard Accounting Practice No 19 and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of freehold investment properties. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Other freehold properties are stated at 1991 valuation with subsequent additions at cost. No depreciation is provided as the amount is not considered to be material and it is company policy to maintain properties to modern standards. In all other respects the company complies with Statement of Standard Accounting Practice No 12 relating to depreciation.

d) **Stock**

Stock is stated at the lower of cost and net realisable value.

e) **Deferred taxation**

Provision is made for deferred taxation on:

- i) timing differences, using the liability method to the extent that it is probable that a liability will become payable in the foreseeable future;
- ii) the potential gain which would arise if the investment properties were sold at the valuation included in the financial statements.

f) **Grants**

Capital grants are credited to deferred grants and amortised in the profit and loss account over the estimated lives of the qualifying assets. Revenue grants are credited in the profit and loss account in the period in which the relevant expenditure is incurred.

g) **Pensions**

The company operates a number of defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 31 DECEMBER 1995

|   | 52 weeks<br>ended 31<br>December<br>1995<br>£ | 53 weeks<br>ended 1<br>January<br>1995<br>£ |
|---|---|---|
| <b>2 NET OPERATING EXPENSES</b>   |   |   |
| Administrative expenses   | 4,927,505                                     | 4,256,106                                   |
| Other operating income- rental income   | (81,952)                                      | (78,721)                                    |
| - other   | (13,065)                                      | -   |
|   | <u>4,832,488</u>                              | <u>4,177,385</u>                            |
| <b>3 STAFF PARTICULARS</b>  | £   | £   |
| Wages, salaries, fees and commissions   | 2,487,915                                     | 2,209,355                                   |
| Social security costs   | 180,056                                       | 164,513                                     |
| Other pension costs   | 94,526  | 90,580                                      |
|   | <u>2,762,497</u>                              | <u>2,464,448</u>                            |
| The average weekly number of persons employed during the period was made up as follows: |   |   |
|   | Number  | Number                                      |
| Bingo clubs - full-time   | 124   | 138   |
| - part-time   | 152   | 143   |
| Administration  | 14  | 13  |
|   | <u>290</u>                                    | <u>294</u>                                  |
| <b>4 DIRECTORS' REMUNERATION</b>  | £   | £   |
| Fees  | 21,816  | 21,816                                      |
| Salaries and commissions as directors   | 428,383                                       | 387,082                                     |
| Pension contributions   | 50,802  | 43,731                                      |
|   | <u>501,001</u>                                | <u>452,629</u>                              |
| Pensions to former directors  | <u>20,670</u>                                 | <u>18,657</u>                               |
| Emoluments (excluding pension contributions) included the following:                    |   |   |
|   | £   | £   |
| Chairman  | <u>100,535</u>                                | <u>92,748</u>                               |
| Highest paid director   | <u>220,823</u>                                | <u>197,187</u>                              |

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 31 DECEMBER 1995

|  | 52 weeks<br>ended 31<br>December<br>1995<br>Number | 53 weeks<br>ended 1<br>January<br>1995<br>Number |
|--|--|--|
| <b>4 DIRECTORS' REMUNERATION (Continued)</b>   |  |  |
| The emoluments of the directors (excluding pension contributions) fell in the following ranges:                            |  |  |
| £ 25,001 - £ 30,000  | 2  | 2  |
| £ 30,001 - £ 35,000  | 1  | 1  |
| £ 35,001 - £ 40,000  | -  | 1  |
| £ 40,001 - £ 45,000  | 1  | -  |
| £ 90,001 - £ 95,000  | -  | 1  |
| £ 100,001 - £ 105,000  | 1  | -  |
| £ 195,001 - £ 200,000  | -  | 1  |
| £ 220,001 - £ 225,000  | 1  | -  |
|  | <u>2</u>   | <u>1</u>   |
|  | £  | £  |
| <b>5 INTEREST PAYABLE</b>  |  |  |
| On loans and bank overdrafts wholly repayable within five years  | 129,819  | 143,312  |
| Interest on other loans  | 111,733  | -  |
|  | <u>241,552</u>                                     | <u>143,312</u>                                   |
| <b>6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>   |  |  |
| Profit on ordinary activities before taxation is stated after charging/(crediting) the following:                          | £  | £  |
| Directors' remuneration (note 4)   | 501,001  | 452,629  |
| Auditors' remuneration - audit fee   | 8,000  | 8,000  |
| - other  | 996  | 11,430   |
| Staff costs (note 3)   | 2,762,497  | 2,464,448  |
| Depreciation   | 463,176  | 348,420  |
| Profit on disposal of tangible fixed assets  | (14,611)   | (21,138)   |
|  | <u>3,720,959</u>                                   | <u>3,343,819</u>                                 |
| Directors' fees includes £7,272 (1994 - £7,272) paid to third parties for making available the services of Mr D S Andrews. |  |  |
| <b>7 TAX ON PROFIT ON ORDINARY ACTIVITIES</b>  | 52 weeks<br>ended 31<br>December<br>1995<br>£      | 53 weeks<br>ended 1<br>January<br>1995<br>£      |
| Corporation tax on the profit for the period at 33%  | 491,000  | 440,000  |
| Deferred taxation  | (3,000)  | 111,000  |
|  | <u>488,000</u>                                     | <u>551,000</u>                                   |
| Adjustment in respect of previous periods  | 22,528   | (33,685)   |
|  | <u>510,528</u>                                     | <u>517,315</u>                                   |

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 31 DECEMBER 1995

|  | 52 weeks<br>ended 31<br>December<br>1995<br>£ | 53 weeks<br>ended 1<br>January<br>1995<br>£ |
|--|---|---|
| <b>8 DIVIDENDS</b>                                   |   |   |
| Interim - paid 1 October 1995                        |   |   |
| 29p per ordinary share (1995 - 23.5p)                | 65,797  | 52,566                                      |
| Final proposed 34.5p per ordinary share (1995 - 27p) | 83,451  | 61,259                                      |
| Preference dividend paid - 6%                        | 150   | 150   |
|  | <u>149,398</u>                                | <u>113,975</u>                              |

|                                 | <u>Freehold property</u> |                 | Plant<br>equipment<br>and<br>vehicles | Total             |
|---------------------------------|--------------------------|-----------------|---------------------------------------|-------------------|
| Cost or valuation               | Trading<br>£             | Investment<br>£ | £                                     | £                 |
| At 2 January 1995               | 8,544,902                | 115,000         | 2,572,551                             | 11,232,453        |
| Additions                       | 3,472,397                | -               | 435,382                               | 3,907,779         |
| Disposals                       | -                        | -               | 144,155                               | (144,155)         |
| At 31 December 1995             | <u>12,017,299</u>        | <u>115,000</u>  | <u>2,863,778</u>                      | <u>14,996,077</u> |
| <b>Accumulated depreciation</b> |                          |                 |                                       |                   |
| At 2 January 1995               | -                        | -               | 1,177,898                             | 1,177,898         |
| Charge                          | -                        | -               | 463,176                               | 463,176           |
| Disposals                       | -                        | -               | (117,267)                             | (117,267)         |
| At 31 December 1995             | <u>-</u>                 | <u>-</u>        | <u>1,523,807</u>                      | <u>1,523,807</u>  |
| <b>Net book amount</b>          |                          |                 |                                       |                   |
| At 31 December 1995             | <u>12,017,299</u>        | <u>115,000</u>  | <u>1,339,971</u>                      | <u>13,472,270</u> |
| At 1 January 1995               | <u>8,544,902</u>         | <u>115,000</u>  | <u>1,394,653</u>                      | <u>10,054,555</u> |

On a historical cost basis freehold trading properties would be valued at a cost of £9,761,913 (1995 - £6,289,516) and £15,713 (1995 - £15,713) for freehold investment properties.

The valuation of freehold investment properties is reviewed annually by Mr J F Andrews, a Chartered Surveyor who was a director of the company until his retirement on 31 December 1994.

|                            | 31<br>December<br>1995<br>£ | 1<br>January<br>1995<br>£ |
|----------------------------|-----------------------------|---------------------------|
| <b>10 STOCK</b>            |                             |                           |
| Goods purchased for resale | <u>53,374</u>               | <u>38,801</u>             |

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 31 DECEMBER 1995

|                                | 31<br>December<br>1995<br>£ | 1<br>January<br>1995<br>£ |
|--------------------------------|-----------------------------|---------------------------|
| 11 DEBTORS                     |                             |                           |
| Other debtors                  | 103,879                     | 1,670                     |
| Prepayments and accrued income | 139,234                     | 110,299                   |
|                                | <u>243,113</u>              | <u>111,969</u>            |

|                                    | Amounts falling<br>due within one year |                           | Amounts falling due<br>after more than one year |                           |
|------------------------------------|--|---------------------------|---|---------------------------|
|                                    | 31<br>December<br>1995<br>£            | 1<br>January<br>1995<br>£ | 31<br>December<br>1995<br>£                     | 1<br>January<br>1995<br>£ |
| 12 CREDITORS                       |  |                           |   |                           |
| Bank loans and overdraft (note 13) | 1,270,121                              | 1,466,012                 | 3,364,933                                       | 1,103,372                 |
| Trade creditors                    | 619,936                                | 281,008                   | -   | -                         |
| Corporation tax                    | 488,726                                | 410,063                   | -   | -                         |
| Other taxation and social security | 173,225                                | 391,975                   | -   | -                         |
| Proposed dividends                 | 83,525                                 | 61,259                    | -   | -                         |
| Other creditors                    | 187,293                                | 127,944                   | -   | -                         |
| Accruals                           | 481,899                                | 383,187                   | -   | -                         |
|                                    | <u>3,304,725</u>                       | <u>3,121,448</u>          | <u>3,364,933</u>                                | <u>1,103,372</u>          |

Other creditors include a loan from the S. Andrews Estate in which certain directors have an interest. The loan amounting to £165,000 (1995 - £125,000) is unsecured, repayable on demand and bore interest at 7% per annum during the period under review.

|                             | 31<br>December<br>1995<br>£ | 1<br>January<br>1995<br>£ |
|-----------------------------|-----------------------------|---------------------------|
| 13 BANK LOANS AND OVERDRAFT |                             |                           |
| Bank loans                  | 4,204,933                   | 2,438,984                 |
| Bank overdraft              | 430,121                     | 130,400                   |
|                             | <u>4,635,054</u>            | <u>2,569,384</u>          |

The bank loans are repayable by reference to the balance sheet date as follows:

|                            | £                | £                |
|----------------------------|------------------|------------------|
| Within one year            | 840,000          | 1,335,612        |
| Between one and two years  | 840,000          | 1,020,613        |
| Between two and five years | 2,520,000        | 82,759           |
| After more than five years | 4,933            | -                |
|                            | <u>4,204,933</u> | <u>2,438,984</u> |

The bank loans and overdraft are secured by a first charge on certain freehold property of the company. The bank loans bear interest at a rate of 1.5% above the bank's base rate.

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 31 DECEMBER 1995

|  | 31<br>December<br>1995<br>£ | 1<br>January<br>1995<br>£ |
|--|-----------------------------|---------------------------|
| 14 PROVISION FOR LIABILITIES AND CHARGES   |                             |                           |
| The deferred taxation provision comprises: |                             |                           |
| Accelerated capital allowances             | 326,000                     | 256,000                   |
| Other timing differences                   | (103,000)                   | (30,000)                  |
|  | <u>223,000</u>              | <u>226,000</u>            |
| Unrelieved advance corporation tax         | (20,863)                    | (15,315)                  |
|  | <u>202,137</u>              | <u>210,685</u>            |

Deferred  
taxation  
£

The movement in deferred taxation comprises:

|                            |                |
|----------------------------|----------------|
| At 2 January 1995          | 226,000        |
| Charged to profit and loss | (3,000)        |
|                            | <u>223,000</u> |
| At 31 December 1995        | <u>223,000</u> |

The provision for deferred taxation on the potential gain which would arise if the freehold trading properties were sold at the valuation in the financial statements is approximately £488,000 (1995 - £503,000).

|                             |                |
|-----------------------------|----------------|
| 15 DEFERRED INCOME          | £              |
| At 2 January 1995           | 202,880        |
| Credited in profit and loss | (9,600)        |
|                             | <u>193,280</u> |
| At 31 December 1995         | <u>193,280</u> |

|   | Authorised       | Allotted, called up<br>and fully paid<br>31<br>December<br>1995<br>£ | 1<br>January<br>1995<br>£ |
|---|------------------|--|---------------------------|
| 16 CALLED UP SHARE CAPITAL                  |                  |  |                           |
| Ordinary shares of £1 each                  | 990,000          | 241,886  | 226,886                   |
| 6% cumulative preference shares of £10 each | 10,000           | 2,500  | 2,500                     |
|   | <u>1,000,000</u> | <u>244,386</u>   | <u>229,386</u>            |

On 13 October 1995, the company issued, on the exercise of options, 15,000 ordinary shares of £1 each for £60,000 cash.

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 31 DECEMBER 1995

## 17 PROFIT AND LOSS ACCOUNT

£

|                                |                  |
|--------------------------------|------------------|
| At 2 January 1995              | 2,983,900        |
| Retained profit for the period | 1,076,717        |
| At 31 December 1995            | <u>4,060,617</u> |

## 18 OTHER RESERVES

|                     | Share<br>premium<br>£ | Revaluation<br>reserve<br>£ | Investment<br>revaluation<br>reserve<br>£ | Capital<br>redemption<br>reserve<br>£ | Total<br>£       |
|---------------------|-----------------------|-----------------------------|---|---------------------------------------|------------------|
| At 2 January 1995   | 108,550               | 2,207,237                   | 99,287                                    | 13,564                                | 2,428,638        |
| Shares issued       | 45,000                | -                           | -   | -                                     | 45,000           |
| At 31 December 1995 | <u>153,550</u>        | <u>2,207,237</u>            | <u>99,287</u>                             | <u>13,564</u>                         | <u>2,473,638</u> |

## 19 SHAREHOLDERS' FUNDS

|                                | 31<br>December<br>1995<br>£ | 1<br>January<br>1995<br>£ |
|--------------------------------|-----------------------------|---------------------------|
| Equity shareholders' funds     | 6,776,141                   | 5,639,424                 |
| Non-equity shareholders' funds | 2,500                       | 2,500                     |
|                                | <u>6,778,641</u>            | <u>5,641,924</u>          |

The reconciliation of movements in shareholders' funds was as follows:

|                              | 52 weeks<br>ended 31<br>December<br>1995<br>£ | 53 weeks<br>ended 1<br>January<br>1995<br>£ |
|------------------------------|---|---|
| Profit for financial period  | 1,226,115                                     | 1,035,420                                   |
| Dividends                    | (149,398)                                     | (113,975)                                   |
| New share capital subscribed | <u>1,076,717</u><br>60,000                    | <u>921,445</u><br>21,600                    |
| Balance at 2 January 1995    | <u>1,136,717</u><br>5,641,924                 | <u>943,045</u><br>4,698,879                 |
| Balance at 31 December 1995  | <u>6,778,641</u>                              | <u>5,641,924</u>                            |



## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 31 DECEMBER 1995

|  | 31<br>December<br>1995<br>£  | 1<br>January<br>1995<br>£  |
|--|--|--|
| 20 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES   |  |  |
| Operating profit   | 1,975,195  | 1,693,047  |
| Depreciation   | 463,176  | 348,420  |
| Profit on disposal of tangible fixed assets  | (14,611)   | (21,138)   |
| Deferred credit - grant  | (9,600)  | (9,600)  |
| (Increase)/decrease in stocks  | (14,573)   | 6,987  |
| Increase in debtors  | (131,144)  | (19,945)   |
| Increase in creditors  | 263,794  | 346,828  |
|  | <u>2,532,237</u>   | <u>2,344,599</u>   |
|  |  |  |
|  | Share capital<br>and share<br>premium<br>31<br>December<br>1995<br>£ | Loans<br>31<br>December<br>1995<br>£                               |
| 21 ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD                                |  | Share capital<br>and share<br>premium<br>1<br>January<br>1995<br>£ |
| At 2 January 1995  | 337,936  | 2,438,984  |
| Cash inflows from financing  | 60,000   | 1,765,949  |
|  | <u>397,936</u>   | <u>4,204,933</u>   |
| At 31 December 1995  | <u>397,936</u>   | <u>4,204,933</u>   |
|  |  |  |
|  | 31<br>December<br>1995<br>£  | 1<br>January<br>1995<br>£  |
| 22 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD                |  |  |
| At 2 January 1995  | (55,416)   | 5,936  |
| Net cash outflow   | (299,746)  | (61,352)   |
|  | <u>(355,162)</u>   | <u>(55,416)</u>  |
| At 31 December 1995  | <u>(355,162)</u>   | <u>(55,416)</u>  |
|  |  |  |
| 23 CASH AND CASH EQUIVALENTS   |  |  |
| The balance for cash and cash equivalents, as shown in the balance sheet, comprises: | £  | £  |
| Cash at bank and in hand   | 74,959   | 74,984   |
| Bank overdraft   | (430,121)  | (130,400)  |
|  | <u>(355,162)</u>   | <u>(55,416)</u>  |
|  |  |  |
| 24 CAPITAL COMMITMENTS   | £  | £  |
| Amounts contracted but not provided for  | 1,100,000  | 405,000  |
| Amounts authorised but not contracted for  | 630,000  | 35,000   |
|  | <u>1,730,000</u>   | <u>440,000</u>   |