

DAVID PLUCK (WIDNES) LTD

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 1998**

REGISTERED NUMBER: 1477372



DAVID PLUCK (WIDNES) LTD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

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DAVID PLUCK (WIDNES) LTD

**COMPANY INFORMATION
AS AT 31 DECEMBER 1998**

DIRECTORS

D L Pluck
F J Seymour

SECRETARY

F J Seymour

REGISTERED OFFICE

127 Storeton Road
Prenton
Birkenhead
L42 9PQ

AUDITORS

Duncan Sheard Glass
Chartered Accountants
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

SOLICITORS

Fanshaw Porter and Hazelhurst
11 and 12 Hamilton Square
Birkenhead
Merseyside
L41 5AR

PRINCIPAL BANKERS

Bank of Ireland
41 Castle Street
Liverpool
L2 9SH

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 1998.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were that of a turf accountant.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £142,712.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The directors consider the introduction of the single European currency on the company to be minimal.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		1998	1997
D L Pluck	£1 Ordinary shares	186	192
F J Seymour	£1 Ordinary Shares	12	6

DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

YEAR 2000 ISSUES

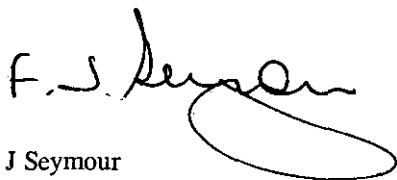
The directors have made an assessment of the potential year 2000 problems, and consider any effects on the company to be minimal.

DIRECTORS' REPORT

AUDITORS

The auditors, Duncan Sheard Glass, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

By order of the board:

A handwritten signature in black ink, appearing to read 'F. J. Seymour', with a large, sweeping loop at the end.

F J Seymour
Secretary

Date: 3rd May 1999

DAVID PLUCK (WIDNES) LTD

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE 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 as to whether 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.

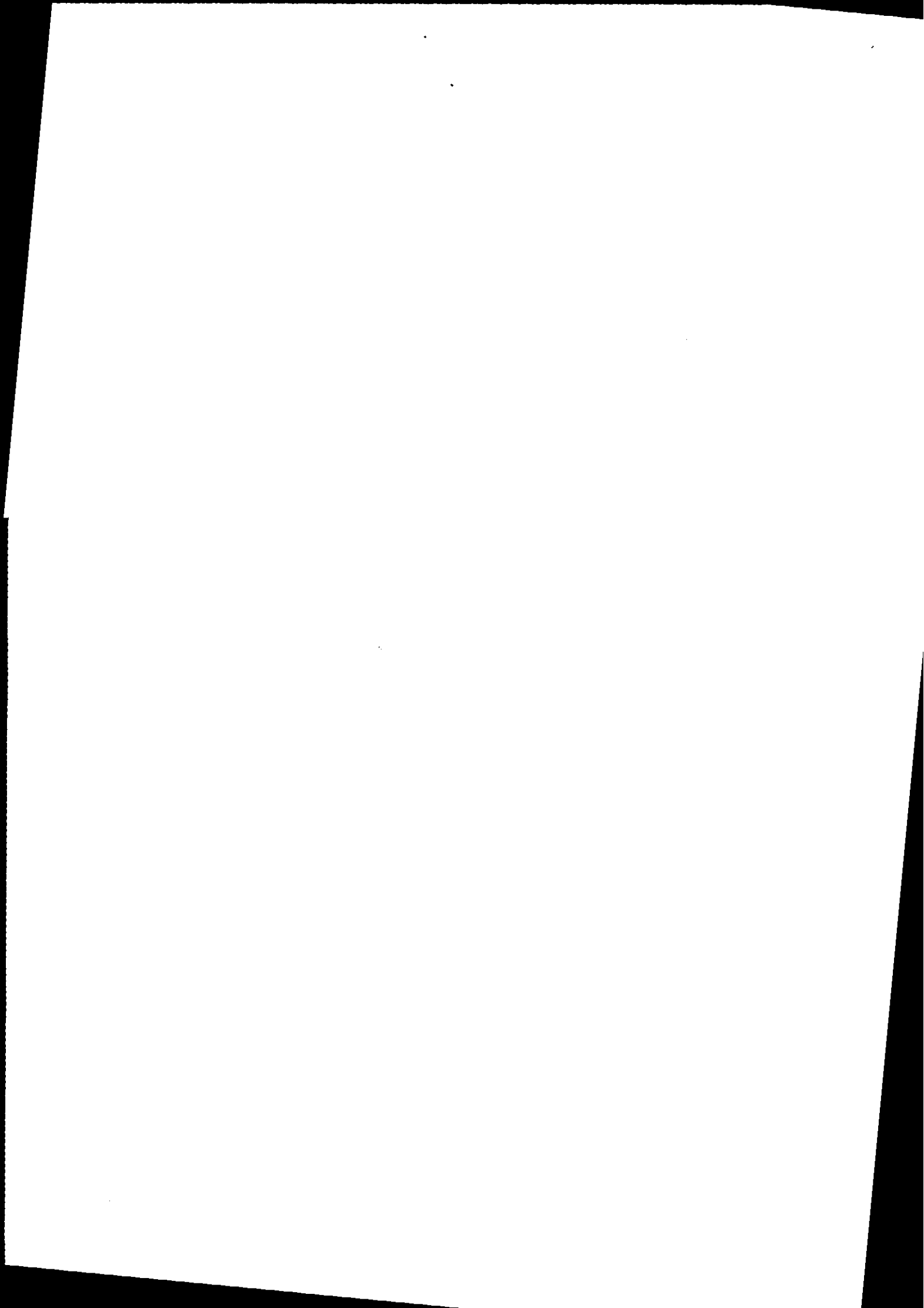
OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Duncan Sheard Glass
Chartered Accountants
Registered Auditors
Castle Chambers
43 Castle Street
Liverpool
L2 9TL**

Date: 3rd May 1999



DAVID PLUCK (WIDNES) LTD**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998**

	Notes	1998 £	1997 £
TURNOVER		12,328,187	7,809,830
Cost of sales		10,623,196	6,668,278
GROSS PROFIT		1,704,991	1,141,552
Administrative expenses		1,525,813	999,511
		179,178	142,041
Other operating income		29,035	29,634
OPERATING PROFIT	2	208,213	171,675
Investment income and interest receivable	4	3,603	5,297
Interest payable and similar charges	5	(28,446)	(15,944)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		183,370	161,028
Tax on profit on ordinary activities	7	(40,658)	(33,340)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		142,712	127,688
Dividends	8	(9,200)	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	19	133,512	127,688

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 profit or loss for the above two financial years.

Historical cost

The difference between the results as disclosed in the profit and loss account before tax, and retained profit for the year, on an unmodified historical cost basis is not material.

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

DAVID PLUCK (WIDNES) LTD**BALANCE SHEET
AT 31 DECEMBER 1998**

	Notes	£	1998 £	£	1997 £
FIXED ASSETS					
Intangible assets	9		130,050		10,125
Tangible assets	10		1,108,941		815,861
			<u>1,238,991</u>		<u>825,986</u>
CURRENT ASSETS					
Stocks	11	10,000		7,750	
Debtors	12	14,467		8,615	
Cash at bank and in hand		<u>157,519</u>		<u>127,629</u>	
		181,986		143,994	
CREDITORS: amounts falling due within one year	13	<u>(597,315)</u>		<u>(451,720)</u>	
NET CURRENT LIABILITIES			(415,329)		(307,726)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>823,662</u>		<u>518,260</u>
CREDITORS: amounts falling due after more than one year	14		(377,446)		(205,556)
PROVISIONS FOR LIABILITIES AND CHARGES	16		<u>(32,590)</u>		<u>(32,590)</u>
NET ASSETS			<u>413,626</u>		<u>280,114</u>
CAPITAL AND RESERVES					
Called up share capital	17		200		200
Share premium account	18		42,291		42,291
Profit and loss account	19		<u>371,135</u>		<u>237,623</u>
TOTAL SHAREHOLDERS' FUNDS	20		<u>413,626</u>		<u>280,114</u>

Approved by the board of directors on 3rd May 1999 and signed on its behalf by:

D L Pluck
Director



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

DAVID PLUCK (WIDNES) LTD**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1998**

	Notes	1998 £	1997 £
Net cash inflow from operating activities	2	417,292	233,473
Returns on investments and servicing of finance	3	(24,843)	(10,647)
Taxation		(51,062)	(17,883)
Capital expenditure	3	(562,956)	(85,142)
Equity dividends paid		(9,200)	-
Cash (outflow) / inflow before use of liquid resources and financing		(230,769)	119,801
Financing	3	239,577	(64,239)
INCREASE IN CASH IN THE YEAR		<u>8,808</u>	<u>55,562</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT
IN NET DEBT**

INCREASE IN CASH IN THE YEAR		8,808	55,562
Cash outflow / (inflow) from movement in debt and lease financing	3	(239,577)	64,239
Change in net debt resulting from cash flows		(230,769)	119,801
Movement in net debt in the year		(230,769)	119,801
Net debt at 1 January 1998		(105,160)	(224,961)
Net debt at 31 December 1998	22	<u>(335,929)</u>	<u>(105,160)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

Turnover represents the provision of services falling within the company's activities during the year.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Depending on the circumstances of each acquisition, goodwill is either set off directly against reserves or amortised through the profit and loss account over the directors' estimate of its estimated economic life, which is estimated to be 10 years.

Depreciation of tangible fixed assets

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

Freehold land and buildings	2% on cost
Long leasehold land and buildings	Over the term of the lease
Computer Equipment	25% reducing balance
Office furniture and fittings	15% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998****2. OPERATING PROFIT**

Operating profit	1998	1997
	£	£
After charging:		
Depreciation of fixed assets	135,376	81,992
Amortisation of intangible assets	14,575	1,125
Auditors' remuneration	8,731	6,854
Operating lease rentals		
Land and buildings	<u>231,712</u>	<u>150,404</u>
After crediting:		
Rent received	<u>29,035</u>	<u>29,634</u>

**Reconciliation of operating profit to
net cash inflow from operating activities**

	1998	1997
	£	£
Operating profit	208,213	171,675
Depreciation	135,376	81,992
Amortisation	14,575	1,125
Increase in stocks	(2,250)	(1,240)
Increase in debtors	(3,552)	(2,574)
Increase / (decrease) in creditors	<u>64,930</u>	<u>(17,505)</u>
Net cash inflow from operating activities	<u>417,292</u>	<u>233,473</u>

3. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	1998	1997
	£	£
Returns on investments and servicing of finance		
Interest received	3,603	5,297
Interest paid	<u>(28,446)</u>	<u>(15,944)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(24,843)</u>	<u>(10,647)</u>
Capital expenditure		
Purchase of intangible fixed assets	(134,500)	(11,250)
Purchase of tangible fixed assets	<u>(428,456)</u>	<u>(73,892)</u>
Net cash outflow from capital expenditure	<u>(562,956)</u>	<u>(85,142)</u>
Financing		
New long-term loans	250,000	-
Repayments of long term loans	<u>(10,423)</u>	<u>(64,239)</u>
Net cash inflow from financing	<u>239,577</u>	<u>(64,239)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998****4. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	1998	1997
	£	£
Interest received and receivable		
Bank interest	<u>3,603</u>	<u>5,297</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1998	1997
	£	£
On bank loans and overdrafts	349	289
On other loans	<u>28,097</u>	<u>15,655</u>
	<u>28,446</u>	<u>15,944</u>

6. INFORMATION ON DIRECTORS AND EMPLOYEES

	1998	1997
	£	£
Staff costs		
Wages and salaries	<u>646,072</u>	<u>426,685</u>

	1998	1997
	£	£
Directors' emoluments		
Emoluments	<u>32,720</u>	<u>13,370</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998	1997
	£	£
The taxation charge comprises:		
Corporation tax at 31 % (1997 - 31 %)	30,918	39,022
Adjustment in respect of prior years	<u>9,740</u>	<u>(5,682)</u>
	<u>40,658</u>	<u>33,340</u>

8. DIVIDENDS PAID OR PROPOSED

	1998	1997
	£	£
On ordinary shares:		
Interim dividends paid		
Dividend - ordinary shares	<u>9,200</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost:	
At 1 January 1998	11,250
Additions	134,500
At 31 December 1998	<u>145,750</u>
Amortisation:	
At 1 January 1998	1,125
Charge for year	14,575
At 31 December 1998	<u>15,700</u>
Net book value:	
At 31 December 1998	<u>130,050</u>
At 31 December 1997	<u>10,125</u>

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost:				
At 1 January 1998	554,473	103,899	547,642	1,206,014
Additions	84,900	36,883	306,673	428,456
At 31 December 1998	<u>639,373</u>	<u>140,782</u>	<u>854,315</u>	<u>1,634,470</u>
Depreciation:				
At 1 January 1998	64,557	31,191	294,405	390,153
Charge for year	23,991	27,398	83,987	135,376
At 31 December 1998	<u>88,548</u>	<u>58,589</u>	<u>378,392</u>	<u>525,529</u>
Net book value:				
At 31 December 1998	<u>550,825</u>	<u>82,193</u>	<u>475,923</u>	<u>1,108,941</u>
At 31 December 1997	<u>489,916</u>	<u>72,708</u>	<u>253,237</u>	<u>815,861</u>
			1998 £	1997 £

Analysis of net book value of land and buildings:

Freehold	439,384	449,370
Short leasehold	111,441	40,546
	<u>550,825</u>	<u>489,916</u>

11. STOCKS

	1998 £	1997 £
Finished goods and goods for resale	<u>10,000</u>	<u>7,750</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

12. DEBTORS

	1998	1997
	£	£
Other debtors	2,300	-
Prepayments and accrued income	12,167	8,615
	<u>14,467</u>	<u>8,615</u>

13. CREDITORS: amounts falling due within one year

	1998	1997
	£	£
Bank loans and overdrafts	116,002	27,233
Trade creditors	15,468	10,312
Corporation tax	30,918	39,022
Other taxes and social security costs	62,669	45,203
Other creditors	335,266	310,853
Accruals and deferred income	36,992	19,097
	<u>597,315</u>	<u>451,720</u>
Secured creditors	<u>116,002</u>	<u>27,233</u>

14. CREDITORS: amounts falling due after more than one year

	1998	1997
	£	£
Bank loans and overdrafts	277,446	105,556
Other creditors	100,000	100,000
	<u>377,446</u>	<u>205,556</u>
(2)		
Secured creditors	<u>277,445</u>	<u>105,556</u>

15. BORROWINGS

	1998	1997
	£	£
The company's borrowings are repayable as follows		
Up to one year and on demand	116,002	27,233
Between one and two years	116,002	27,233
Between two and five years	154,326	78,323
	<u>386,330</u>	<u>132,789</u>
Wholly repayable within five years	<u>386,330</u>	<u>132,789</u>
Included in current liabilities	<u>116,002</u>	<u>27,233</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998**

16. PROVISIONS FOR LIABILITIES AND CHARGES

	1998 £	1997 £
Deferred taxation (see below)		
Balance at beginning and end of year	32,590	32,590
Total provision for liabilities and charges	32,590	32,590

	1998 £	Not provided 1997 £	Provided 1998 £	1997 £
Deferred tax is calculated at 31 % (1997 - 31 %) analysed over the following timing differences:				
On the excess of capital allowances over depreciation	86,696	-	32,590	32,590
	86,696	-	32,590	32,590

17. SHARE CAPITAL

	1998 £	1997 £
Authorised:		
Equity interests:		
1000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
Equity interests:		
200 Ordinary shares of £1 each	200	200

18. SHARE PREMIUM ACCOUNT

	1998 £	1997 £
Equity interests:		
Balance at beginning of year	42,291	42,291
Movements during the year	-	-
Balance at year end	42,291	42,291

DAVID PLUCK (WIDNES) LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998****19. PROFIT AND LOSS ACCOUNT**

	1998	1997
	£	£
Retained profit at 1 January 1998	237,623	109,935
Profit for the year	133,512	127,688
Retained profit at 31 December 1998	<u>371,135</u>	<u>237,623</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Profit for the year	142,712	127,688
Dividends	(9,200)	-
Net addition to shareholders' funds	133,512	127,688
Opening shareholders' funds	280,114	152,426
Closing shareholders' funds	<u>413,626</u>	<u>280,114</u>
Represented by:-		
Equity interests	<u>413,626</u>	<u>280,114</u>

21. REVENUE COMMITMENTS

At year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	1998	1997	1998	1997
	£	£	£	£
More than five years	<u>159,275</u>	<u>50,100</u>	<u>-</u>	<u>-</u>

22. ANALYSIS OF CHANGES IN NET DEBT

	1997	Cash flow	Other movements	1998
	£	£	£	£
Cash at bank and in hand	127,629	29,890	-	157,519
Bank overdraft	-	(21,082)	-	(21,082)
		8,808		
Debt due within one year	(27,233)	-	-	(27,233)
Debt due after one year	(205,556)	(239,577)	-	(445,133)
	<u>(105,160)</u>	<u>(230,769)</u>	<u>-</u>	<u>(335,929)</u>

23. RELATED PARTY DISCLOSURES

The directors have a material interest in David Pluck Amusements Limited, a company which operates on the premises of David Pluck (Widnes) Limited. At the year end, the inter-company loan account shows a balance owed to David Pluck Amusements Limited of £59108. (1997: £18674)