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**B.M.I. CATERING LIMITED**  
(Registered No. 2395758)

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 1995**

**D A F F E R N & C O**  
*chartered accountants*  
*Coventry and Leamington Spa*



## B.M.I. CATERING LIMITED

### REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the company for the year ended 31st December 1995.

#### Directors and officers

The directors in office during the year and their beneficial interests in the issued ordinary share capital were as follows :

	1995	1994
Dr. G. W. Hearn (deceased 2.1.95)	-	-
Mr, H. B. Carrington (resigned 12.5.95)	-	-
Professor P. G. Bevan (appointed 12.5.95)	-	-
Dr. A. L. Lloyd (appointed 12.5.95)	-	-

Secretary :	Dr. J. M. Stuart (resigned 12.5.95) Dr. S. G. Platt (appointed 12.5.95)
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Auditors :	Daffern & Co., Chartered Accountants, Leamington Spa
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Registered Office :	36 Harborne Road, Edgbaston, Birmingham
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#### Principal activity

The principal activity of the company in the year under review was the provision of catering and refreshment services.

#### Review of business and future developments

The results for the year are disappointing, due mainly to the reduction in turnover causing a trading loss. The directors are expecting improvements in the current year.

#### Events since the end of the year

There have been no significant events since the end of the financial year.

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**B.M.I. CATERING LIMITED****REPORT OF THE DIRECTORS (continued)****Fixed assets**

Details of the acquisition of fixed assets are shown in the financial statements.

**Ultimate holding company**

The directors regard The Birmingham Medical Institute Limited, a company registered in the United Kingdom, as the ultimate holding company.

**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 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 a 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 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.

**Auditors**

A resolution for the re-appointment of Messrs. Daffern & Co. as auditors will be proposed at the Annual General Meeting.

By order of the Board



S. G. PLATT  
Secretary

6th March 1996

Warwick House,  
Clarendon Street,  
Leamington Spa.

**AUDITORS' REPORT TO THE MEMBERS OF  
B.M.I. CATERING LIMITED**

We have audited the accounts set out on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 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 director 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 any 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 the company's affairs as at 31st December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DAFFERN & CO.

Chartered Accountants  
Registered Auditor

6th March 1996

## B.M.I. CATERING LIMITED

## PROFIT AND LOSS ACCOUNT

## FOR THE YEAR ENDED 31ST DECEMBER 1995

	Notes	1995	1994
<b>Turnover</b>	2.	52,321	63,074
Cost of sales		<u>25,540</u>	<u>28,480</u>
<b>Gross profit</b>		26,781	34,594
Administrative expenses		<u>30,614</u>	<u>28,142</u>
<b>Operating (loss)/profit</b>		(3,833)	6,452
Interest receivable and similar income		<u>334</u>	<u>239</u>
<b>(Loss)/profit on ordinary activities before taxation</b>	3.	(3,499)	6,691
Taxation on profit on ordinary activities	5.	<u>—</u>	<u>245</u>
<b>(Loss)/profit on ordinary activities after taxation</b>		(3,499)	6,446
Covenant of profits		<u>—</u>	<u>4,667</u>
<b>Retained (loss)/profit for the year</b>		(3,499)	1,779
Retained profits brought forward		<u>5,978</u>	<u>4,199</u>
<b>Retained profits carried forward</b>		<u>£ 2,479</u>	<u>£ 5,978</u>

**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 for the above two financial years.

The notes on pages 6 to 8 form part of these financial statements.

## B.M.I. CATERING LIMITED

## BALANCE SHEET AS AT 31ST DECEMBER 1995

	Notes	1995	1994
<b>Fixed assets</b>			
Tangible assets	7.	17,547	17,001
<b>Current assets</b>			
Bar stock		755	976
Debtors	8.	5,860	7,548
Bank and cash		<u>1,090</u>	<u>17,540</u>
		7,705	26,064
<b>Creditors</b>			
Amounts falling due within one year	9.	<u>22,771</u>	<u>37,085</u>
<b>Net current liabilities</b>		(15,066)	(11,021)
		£ 2,481	£ 5,980
		<u>          </u>	<u>          </u>
<b>Capital and reserves</b>			
Called up share capital	10.	2	2
Profit and loss account		<u>2,479</u>	<u>5,978</u>
	11.	£ 2,481	£ 5,980
		<u>          </u>	<u>          </u>

These financial statements were approved by the directors on 6th March 1996.



P. G. BEVAN

The notes on pages 6 to 8 form part of these financial statements.

# B.M.I. CATERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1995

### 1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements :

- (i) **Basis of accounting**  
These financial statements have been prepared under the historical cost convention.
- (ii) **Depreciation**  
Depreciation is calculated so as to write off the cost of tangible fixed assets by instalments over their estimated useful lives as follows :
 

Equipment	-	10% p.a. straight line on cost
Linen	-	25% p.a. straight line on cost
- (iii) **Bar stock**  
Bar stock is stated at the lower of cost and net realisable value.

### 2. Turnover

Turnover represents the invoiced value of services provided in the United Kingdom, stated net of value added tax, and is attributable to the company's principal activity.

### 3. Profit on ordinary activities before taxation

	1995	1994
(Loss)/profit before taxation is stated after charging :		
Directors' remuneration	-	-
Auditors' remuneration	2,050	2,000
Depreciation	<u>3,318</u>	<u>2,908</u>

### 4. Director's remuneration

The director received no remuneration during the year (1994 - £nil).

### 5. Taxation

Corporation tax on the profit for the year at 25% (1994 - 25%)	£ -	£ <u>245</u>
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## B.M.I. CATERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1995 (continued)

## 6. Staff costs

	1995	1994
Wages and salaries	20,764	17,852
Social security costs	<u>906</u>	<u>820</u>
	<u>£21,670</u>	<u>£18,672</u>
Average number of employees :		
Catering	<u>1</u>	<u>1</u>

## 7. Fixed assets

	Equipment	
<b>Cost</b>		
At 1.1.95	29,528	26,686
Additions	<u>3,864</u>	<u>2,842</u>
At 31.12.95	<u>33,392</u>	<u>29,528</u>
<b>Depreciation</b>		
At 1.1.95	12,527	9,619
Charge for the year	<u>3,318</u>	<u>2,908</u>
At 31.12.95	<u>15,845</u>	<u>12,527</u>
<b>Net book value at 31.12.95</b>	<u>£17,547</u>	<u>£17,001</u>

## 8. Debtors

Trade debtors	5,670	7,396
Other debtors	<u>190</u>	<u>152</u>
	<u>£ 5,860</u>	<u>£ 7,548</u>

## 9. Creditors

Amounts falling due within one year		
Trade creditors	123	44
Amount due to holding company	17,378	29,710
Value added tax	2,805	3,535
Accruals	2,000	2,245
Income tax	-	1,167
PAYE and NIC	<u>465</u>	<u>384</u>
	<u>£22,771</u>	<u>£37,085</u>

continued ...



## B.M.I. CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST DECEMBER 1995 (continued)

**10. Share capital**

	1995	1994
Ordinary shares of £1 each		
Authorised	£ <u>100</u>	£ <u>100</u>
Issued, called up and fully paid	£ <u>2</u>	£ <u>2</u>

**11. Reconciliation of movements on shareholders' funds**

(Loss)/profit for the financial year after taxation	(3,499)	6,446
Covenant of profits to Birmingham Medical Institute (parent company)	<u>-</u>	<u>(4,667)</u>
	(3,499)	1,779
Opening shareholders' funds at 1st January 1995	<u>5,980</u>	<u>4,201</u>
Closing shareholders' funds at 31st December 1995	£ <u>2,481</u>	£ <u>5,980</u>