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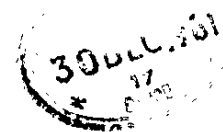
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SKAN DEVELOPMENTS Limited

ANNUAL REPORT

and

ACCOUNTS 1981



SKAN DEVELOPMENTS Limited

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SKAN DEVELOPMENTS Limited

DIRECTORS and OFFICERS

DIRECTORS:

M. Skan

R.N. Skan

Mrs. S.E.M. Skan

SECRETARY:

J.C. Pedley, F.C.A.

REGISTERED OFFICE:

Chewton Glen Hotel,
New Milton,
Hampshire, BH25 6QS.

AUDITOR:

H. John Webster, F.C.A.
Chichester.

SOLICITORS:

Lester & Russell,
Bournemouth.

BANKERS:

National Westminster Bank Ltd.,
Bournemouth.

SKAN DEVELOPMENTS Limited

The Directors present their Annual Report and the Audited Accounts for the 52 weeks ended 22nd February 1981.

1. ACTIVITIES

The Company owns and operates The Chewton Glen Hotel, New Milton, Hampshire.

2. RESULTS AND DIVIDENDS

The results for the 52 weeks are shown in the accompanying Accounts and related notes on pages 3 to 8.

The Directors do not recommend the payment of any dividends.

3. DIRECTORS

The present membership of the Board is set out on page 1.

A Director had an interest in the Company's Share Capital as follows:

		<u>Shares held</u>	
	<u>Class</u>	<u>24th February 1980</u>	<u>22nd February 1981</u>
M. Skan	Ordinary	70,100	70,100
	Preference	1,300	1,300

4. CLOSE COMPANY

The Company is a Close Company within the term of ICTA 1970.

5. AUDITOR

H. John Webster, F.C.A. has agreed to continue in office and a resolution concerning his re-appointment will be submitted to the Annual General Meeting.

By Order of the Board

J. C. PEDLEY

Secretary

Chewton Glen Hotel,
New Milton,
Hampshire.

October, 1981

SKAN DEVELOPMENTS Limited

BALANCE SHEET - 22nd FEBRUARY, 1981

	Note (Pages 6 to 8)		1980
<u>CURRENT ASSETS</u>			
Cash		549	673
Debtors		67,470	71,804
Stock	1A	34,294	33,284
Directors current account	7	57,975	58,374
			<u>160,288</u>
			164,135
<u>CURRENT LIABILITIES</u>			
Bank overdraft and loan	4	121,331	100,182
Directors current account		1,875	2,010
Current provision		26,842	28,283
Creditors	8	211,403	202,114
			<u>361,451</u>
			332,889
<u>NET CURRENT LIABILITIES</u>			
		(201,163)	(168,754)
<u>PROPERTY, PLANT EQUIPMENT and MOTOR VEHICLES</u>			
	5	756,527	686,262
<u>LONG TERM LOANS</u>			
		(75,599)	(75,162)
<u>DEFERRED TAXATION</u>			
	3B	(120,000)	(111,000)
		<u>£359,765</u>	<u>£331,346</u>
<u>SHAREHOLDERS INTERESTS</u>			
Share Capital	6	140,000	140,000
Retained Profits		219,765	191,346
		<u>£359,765</u>	<u>£331,346</u>

The notes on pages 6 to 8 are an integral part of these Accounts.

Reginald N. Skan.

SKAN DEVELOPMENTS Limited

PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 22nd FEBRUARY 1981

		<u>1980</u>
	£	£
TURNOVER (Note 2)	<u>1,369,110</u>	<u>1,221,735</u>
PROFIT before Taxation but after charging:	64,115	129,501
Depreciation	49,496	53,565
Directors' remuneration	48,500	37,500
Auditors remuneration	1,400	1,400
Bank interest	17,705	14,778
Hire purchase interest	2,568	314
Loan interest	2,821	2,592
Bad Debt Reserve	<u>2,000</u>	<u>-</u>
TAXATION (Note 3A)	<u>(35,696)</u>	<u>(49,429)</u>
PROFIT after Taxation	28,419	80,072
BALANCE brought forward	<u>191,346</u>	<u>111,274</u>
RETAINED PROFIT carried forward	<u>£219,765</u>	<u>£191,346</u>

The notes on pages 6 to 8 are an
integral part of these Accounts.

Reginald N. Skan

SKAN DEVELOPMENTS Limited

STATEMENT OF SOURCE

and

APPLICATION OF FUNDS

FOR THE 52 WEEKS ENDED 22nd FEBRUARY 1981

		<u>1980</u>	
		£	
<u>SOURCE OF FUNDS</u>			
Profit before Taxation	64,115	129,501	
Retained Depreciation	49,496	53,565	
Increase in long term loans	437	10,986	
<u>TOTAL GENERATED</u>	114,048	194,052	
<u>APPLICATION OF FUNDS</u>			
Capital Expenditure	(119,762)	(168,019)	
Reduction in long term loans	-	-	
Taxation paid	(28,136)	(17,147)	
	(£33,850)	(£8,886)	
<u>MOVEMENT IN WORKING CAPITAL</u>			
Stocks Inc.	1,010	Inc. 3,477	
Debtors Dec.	(4,857)	Inc. 87,835	
Creditors Inc.	(8,854)	Inc. (84,621)	
Bank overdraft Inc.	(21,149)	Dec. 2,195	
	(£33,850)	£8,886	
Inc. - Increase			
Dec. - Decrease			

R.N. Skan

SKAN DEVELOPMENTS Limited

NOTES TO THE ACCOUNTS

22nd February 1981

1. ACCOUNTING POLICIES

A Stocks are stated at the lower of cost and net realisable value. Cost represents invoiced prices from suppliers.

B Freehold property is not depreciated. The directors are aware of SSAP12 relating to the depreciation of buildings and in their opinion consider the present day value of the buildings to be not less than the book figure of £566,005 as shown in the Balance Sheet. In the circumstances they consider no provision for depreciation for the current period is necessary.

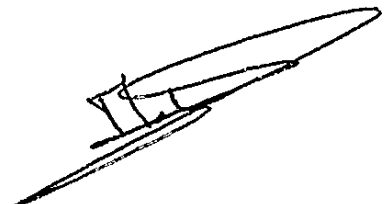
C Motor vehicles are depreciated at 20% p.a. on original cost.

D Plant and Equipment which includes fixtures and fittings, floor coverings and furniture for the hotel are depreciated at the rate of 20% p.a. on the reducing balance except floor coverings to which an increased rate of 50% p.a. applies.

E Soft Furnishing Costs (except floor coverings) and other expenditure on decorations and furniture upkeep are charged to Profit and Loss Account in the year in which they are incurred.

F Repairs expenditure and the cost of renewals of small equipment including alterations, such as fire precaution works which are not considered to be improvements, are written off in the year in which the costs are incurred.

R. N. SKAN



SKAN DEVELOPMENTS Limited.

NOTES TO THE ACCOUNTS

(continued)

22nd FEBRUARY, 1981

2. TURNOVER

Turnover represents net sales (exclusive of VAT) to customers.

3. TAXATION

A. The charge for the year is as follows:

In respect of the current period of 52 weeks:

Provision for Corporation Tax	27,000
Additional amount set aside for Deferred Taxation	9,000
	<u>36,000</u>

Adjustment for prior year:

Provision for Corporation Tax no longer required	(304)
	<u>£35,696</u>

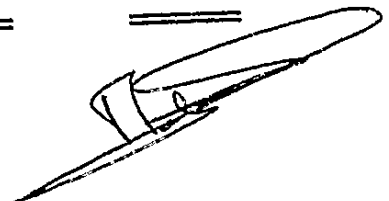
B. Deferred Taxation at 40% has been provided on the excess of net book values of assets available for capital allowances over their written down value for tax purposes.

C. No provision has been made for Corporation Tax on the capital gain estimated at £21,000 which would arise if the freehold property were sold at its balance sheet value.

4. BANK OVERDRAFT AND LOANS

	<u>1981</u>	<u>1980</u>
Bank Overdraft (Secured)	79,331	58,182
Bank Loan (portion repayable within one year - secured)	42,000	42,000
	<u>£121,331</u>	<u>£100,182</u>

R. N. Skan.



NOTES TO THE ACCOUNTS

(continued)

22nd FEBRUARY, 1981

5. FIXED ASSETS

	<u>Freehold Property</u>	<u>Plant & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost or Valuation:				
At 24th February 1980	501,505	347,353	21,689	870,547
Additions since	<u>64,500</u>	<u>44,105</u>	<u>11,157</u>	<u>119,762</u>
At 22nd February 1981	566,005	391,458	32,846	990,309
Depreciation:				
At 24th February 1980	-	175,867	8,419	184,286
Charge for 52 weeks to 22nd February 1981	<u>-</u>	<u>43,586</u>	<u>5,910</u>	<u>49,496</u>
Net Book Value: 22nd February 1981	<u>£566,005</u>	<u>£172,005</u>	<u>£18,517</u>	<u>£756,527</u>

Freehold Property is included at a Directors' valuation in March 1973 of £235,000 with subsequent additions at cost (See Note 3C).

6. SHARE CAPITAL

<u>Authorised Issued and Fully Paid</u>	<u>Class</u>	<u>Each</u>	<u>1980 and 1981</u>
75,000	Ordinary	£1	75,000
65,000	10% Cumulative Preference	£1	<u>65,000</u>
			<u>£140,000</u>

7. DIRECTORS' CURRENT ACCOUNT Notwithstanding Section 49 of the Companies Act 1980 the directors' overdrawn current account continued throughout the year. The relevant director is Mr. M. Skan holding 93.47% of the Ordinary Share Capital of the Company.

8. CREDITORS Included in Creditors is a sum of £15,000 which has been set aside as a specific reserve for decoration work required but not carried out during the year. R. N. SKAN.

Page 1

AUDITOR'S REPORT TO THE MEMBERS

OF

SKAN DEVELOPMENTS Limited

In my opinion the Accounts of the Company which have been prepared under the historical cost convention, as set out on pages 3 to 8 inclusive give, so far as concerns the members of Skan Developments Limited, a true and fair view of the state of affairs of the Company at 22nd February, 1981, and of the profit and the source and application of funds of the Company for the 52 weeks then ended and apart from an overdrawn directors' current account comply with the Companies Acts 1948 to 1980.

Chichester, West Sussex

October, 1981



H. John Webster

Chartered Accountant