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SKAN DEVELOPMENTS Limited

ANNUAL REPORT

and

ACCOUNTS 1980



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 24th February 1980.

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>25th February 1979</u>	<u>24th February 1980</u>
M. Skan	Ordinary	70,100	70,100
	Preference	1,300	1,300

4. 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.

31 October, 1980

SKAN DEVELOPMENTS LimitedBALANCE SHEET - 24th FEBRUARY, 1980

	<u>Note</u>		<u>1979</u>
<u>CURRENT ASSETS</u>			
Cash		673	750
Debtors		71,804	42,265
Stock		33,284	29,807
Directors current account		58,374	-
		<u>164,135</u>	<u>72,822</u>
<u>CURRENT LIABILITIES</u>			
Bank overdraft and loan	4	100,182	102,377
Directors current account		2,010	6,347
Current taxation		28,283	18,000
Creditors		202,414	113,456
		<u>332,889</u>	<u>240,180</u>
<u>NET CURRENT LIABILITIES</u>		<u>(168,754)</u>	<u>(167,358)</u>
<u>PROPERTY, PLANT EQUIPMENT and MOTOR VEHICLES</u>	5	686,262	571,808
<u>LONG TERM LOANS</u>	4	( 75,162)	( 64,176)
<u>DEFERRED TAXATION</u>	3B	(111,000)	( 89,000)
		<u>£331,346</u>	<u>£251,274</u>
<u>SHAREHOLDERS INTERESTS</u>			
Share Capital	6	0140,000	140,000
Retained Profits		191,346	111,274
		<u>£331,346</u>	<u>£251,274</u>

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

SKAN DEVELOPMENTS LimitedPROFIT AND LOSS ACCOUNTFOR THE 52 WEEKS ENDED 24th FEBRUARY 1980

		<u>1979</u>
	£	£
TURNOVER (Note 2)	1,221,735	1,009,586
	<u>          </u>	<u>          </u>
PROFIT before Taxation but after charging:	129,501	91,485
Depreciation	53,565	38,358
Directors' remuneration	37,500	27,000
Auditors remuneration	1,400	1,225
Bank interest	14,778	6,158
Hire purchase interest	314	-
Loan interest	2,592	1,958
	<u>          </u>	<u>          </u>
TAXATION (Note 3A)	( 49,429)	(42,037)
	<u>          </u>	<u>          </u>
PROFIT after Taxation	80,072	49,448
BALANCE brought forward	111,274	61,826
	<u>          </u>	<u>          </u>
RETAINED PROFIT carried forward	£191,346	£111,274
	<u>          </u>	<u>          </u>

*James Walker Sec.*

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

SKAN DEVELOPMENTS LimitedSTATEMENT OF SOURCEandAPPLICATION OF FUNDSFOR THE 52 WEEKS ENDED 24th FEBRUARY 1980

		<u>1979</u>	
		£	
<u>SOURCE OF FUNDS</u>			
Profit before Taxation	129,501	91,485	
Retained Depreciation	53,565	36,287	
Increase in long term loans	10,986	-	
<u>TOTAL GENERATED</u>	194,052	127,772	
<u>APPLICATION OF FUNDS</u>			
Capital Expenditure	(168,019)	(153,329)	
Reduction in long term loans	-	( 19,936)	
Taxation paid	( 17,147)	( 21,593)	
	£8,886	(£67,086)	
<u>MOVEMENT IN WORKING CAPITAL</u>			
Stocks	Inc. 3,477	Inc. 5,533	
Debtors	Inc. 87,855	Dec. ( 8,581)	
Creditors	Inc. ( 84,621)	Dec. 15,657	
Bank overdraft	Dec. 2,195	Inc. ( 79,695)	
	£8,886	(£67,086)	
Inc. - Increase			
Dec. - Decrease			

SKAN DEVELOPMENTS Limited

NOTES TO THE ACCOUNTS

24th February 1980

1. ACCOUNTING POLICIES

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

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 £501,505 as shown in the Balance Sheet. In the circumstances they consider no provision for depreciation for the current period is necessary.

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

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.

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.

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.



SKAN DEVELOPMENTS LimitedNOTES TO THE ACCOUNTS(continued)24th FEBRUARY, 19802. 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	28,500
Additional amount set aside for Deferred Taxation	22,000
	<u>50,500</u>

Adjustment for prior year:

Provision for Corporation Tax no longer required	( 1,071)
	<u>£49,429</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 and for stock appreciation relief.

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>1980</u>	<u>1979</u>
Bank Overdraft (Secured)	58,182	60,377
Bank Loan (portion repayable within one year - secured)	42,000	42,000
	<u>£100,182</u>	<u>£102,377</u>
Bank Loan (portion repayable after one year - secured)	60,162	49,176
Other Loans	15,000	15,000
	<u>£75,162</u>	<u>£64,176</u>

SKAN DEVELOPMENTS LimitedNOTES TO THE ACCOUNTS(continued)24th FEBRUARY, 19805. FIXED ASSETS

	<u>Freehold Property</u>	<u>Plant &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost or Valuation:				
At 25th February 1979	440,925	252,322	9,281	702,528
Additions since	60,580	95,031	12,408	168,019
	<hr/>	<hr/>	<hr/>	<hr/>
At 24th February 1980	501,505	347,353	21,689	870,547
Depreciation:				
At 25th February 1979		125,980	4,740	130,720
Charge for 52 weeks to 24th February 1980		49,887	3,678	53,565
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value:				
24th February 1980	£501,505	£171,486	£13,271	£686,262
	<hr/>	<hr/>	<hr/>	<hr/>

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>1979 and 1980</u>
75,000	Ordinary	£1	75,000
65,000	10% Cumulative Preference	£1	65,000
			<hr/>
			£140,000
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AUDITOR'S REPORT TO THE MEMBERSOFSKAN 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 24th February, 1980, 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 and 1967.

H. John WebsterChartered AccountantChichester, West Sussex31 October, 1980