

# **Yorkcloud Limited**

## **Directors' report and abbreviated financial statements**

**For the year ended 31 January 2000**

Company number 1679025



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# Yorkcloud Limited

## Directors' report and financial statements

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# Yorkcloud Limited

## Directors' report

The directors present their report together with the audited financial statements for the year ended 31 January 2000.

## Principal activities and review of business

The company's principal activity continued to be that of operating a hotel and related leisure activities.

## Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors consider the state of the company's affairs to be satisfactory.

The directors recommend dividends of 35 pence per share amounting to £32,340 (1999: £32,340).

## Future developments

A swimming pool and leisure facilities are in the course of construction next to the hotel, which are due to open later in 2000.

## Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31 January 2000	1 February 1999
Mr A N H Birkett	-	-
Mr C J Malpas	-	-
Mr D M B Snowden	17,400	17,400
Mr N R Talbot	35,000	35,000
Mr C Wilson	-	-

## Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings of the company is in excess of their book values.

## 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 the company's affairs and of the profit or loss for that year. In preparing these 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.

# Yorkcloud Limited

## Directors' report

### Auditors

Pursuant to a shareholders resolution, the company is not obliged to reappoint its auditors annually and E.J. Williams & Co will therefore continue in office.

This report was approved by the board and signed on its behalf.

*A. G. Bailes*

**Mr A G Bailes**  
*Secretary*

Rocky Bank  
Lakeside  
Newby Bridge  
Cumbria  
LA12 8NL

23 November 2000

# Auditors' report to Yorkcloud Limited under section 247b of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 4 to 15 together with the financial statements of Yorkcloud Limited for the year ended 31 January 2000 prepared under Section 226 of the Companies Act 1985.

## Respective responsibilities of directors and auditors

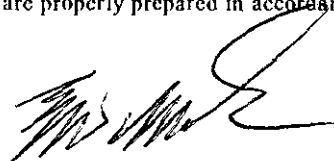
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

## Basis of opinion

We have carried out procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

## Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 4 to 15 are properly prepared in accordance with that provision.



**EJ Williams & Co**  
*Chartered Accountants  
and Registered Auditors*

4 Brunswick Street  
CARLISLE  
CA1 1PP  
23 November 2000

# Yorkcloud Limited

## Abbreviated profit and loss account for the year ended 31 January 2000

	Notes	2000 £	1999 £
<b>Gross profit</b>		<b>1,586,747</b>	<b>1,453,960</b>
Administrative expenses		<u>1,364,097</u>	<u>1,250,815</u>
<b>Operating profit</b>	2	<b>222,650</b>	<b>203,145</b>
Interest payable and similar charges	3	<u>(65,415)</u>	<u>(87,722)</u>
<b>Profit on ordinary activities before taxation</b>		<b>157,235</b>	<b>115,423</b>
Tax on profit on ordinary activities	5	<u>33,190</u>	<u>15,491</u>
<b>Profit for the financial year</b>		<b>124,045</b>	<b>99,932</b>
Dividends	6	<u>32,340</u>	<u>32,340</u>
<b>Retained profit for the year</b>	16	<b>91,705</b>	<b>67,592</b>
<b>Retained profit brought forward</b>		<u><b>364,293</b></u>	<u><b>296,701</b></u>
<b>Retained profit carried forward</b>		<u><u><b>455,998</b></u></u>	<u><u><b>364,293</b></u></u>

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

# Yorkcloud Limited

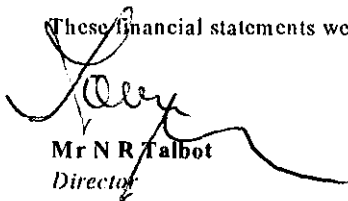
## Abbreviated balance sheet

as at 31 January 2000

	Notes	£	2000 £	£	1999 £
<b>Fixed assets</b>					
Tangible assets	7		2,216,786		1,964,474
Investments	8		186,176		117,168
			<u>2,402,962</u>		<u>2,081,642</u>
<b>Current assets</b>					
Stocks		43,085		38,185	
Debtors	9	78,651		88,810	
Cash at bank and in hand		3,000		3,000	
			<u>124,736</u>		<u>129,995</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>1,289,134</u>		<u>1,003,850</u>	
<b>Net current liabilities</b>			<u>(1,164,398)</u>		<u>(873,855)</u>
<b>Total assets less current liabilities</b>			<u>1,238,564</u>		<u>1,207,787</u>
<b>Creditors: amounts falling due after more than one year</b>	11		618,448		691,945
<b>Provision for liabilities and charges</b>					
Deferred taxation	14		14,118		1,549
			<u>605,998</u>		<u>514,293</u>
<b>Capital and reserves</b>					
Share capital	15		92,400		92,400
Share premium account	16		57,600		57,600
Profit and loss account	16		455,998		364,293
<b>Shareholders' funds</b>	17		<u>605,998</u>		<u>514,293</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the board on 23 November 2000 and signed on its behalf.

  
**Mr N R Talbot**  
 Director

# Yorkcloud Limited

## Cash flow statement

for the year ended 31 January 2000

	Notes	2000 £	1999 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		222,650	203,145
Depreciation		45,686	45,291
Loss on sale of fixed assets		-	3,018
Increase in stocks		(4,900)	1,829
Decrease in debtors		10,159	(12,184)
Increase in creditors		262,628	(3,403)
<b>Net cash inflow from operating activities</b>		<b>536,223</b>	<b>237,696</b>
<b>Cash flow statement</b>			
<b>Net cash inflow from operating activities</b>		<b>536,223</b>	<b>237,696</b>
<b>Returns on investments and servicing of finance</b>	18	<b>(65,415)</b>	<b>(87,722)</b>
<b>Taxation</b>		<b>(1,730)</b>	<b>(7,081)</b>
<b>Capital expenditure and financial investment</b>	18	<b>(367,006)</b>	<b>(221,614)</b>
<b>Equity dividends paid</b>		<b>(32,340)</b>	<b>(27,720)</b>
<b>Cash inflow before use of liquid resources and financing</b>		<b>69,732</b>	<b>(106,441)</b>
<b>Financing</b>	18	<b>(75,115)</b>	<b>(202,652)</b>
<b>Decrease in cash</b>		<b>(5,383)</b>	<b>(309,093)</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Decrease in cash in the year</b>		<b>(5,383)</b>	<b>(309,093)</b>
Cash outflow from decrease in net debt and lease financing	19	75,115	262,652
New finance leases	19	-	(14,110)
<b>Decrease in net debt</b>	19	<b>69,732</b>	<b>(60,551)</b>
<b>Net debt at 1 February 1999</b>		<b>(1,185,839)</b>	<b>(1,125,288)</b>
<b>Net debt at 31 January 2000</b>	19	<b>(1,116,107)</b>	<b>(1,185,839)</b>



# Yorkeloud Limited

## Abbreviated notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements include transactions up to and including the nearest Saturday to 31 January of each year.

#### Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

#### Depreciation

No depreciation is provided on freehold buildings as it is the company's policy to maintain these properties to a high standard to protect their trade and the costs of maintenance are charged to the profit and loss account. Therefore their value to the business is not impaired by the passage of time and as a consequence, in the opinion of the directors, any provision for depreciation would be immaterial. The directors consider that the aggregate of their residual values is at least equal to the aggregate of their book values. No depreciation is provided on assets in the course of construction. Depreciation of all other tangible assets is calculated to write down the cost less estimated residual value by instalments over their expected useful lives. The rates and periods generally applicable are:

Motor vehicles	25% reducing balance
Fixtures and fittings	20% reducing balance

#### Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### Stocks

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

#### Deferred taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### Contribution to pension funds

The company operates 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.

# Yorkcloud Limited

## Abbreviated notes

(forming part of the financial statements)

### Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

## 2 Operating profit

*The operating profit is arrived at after charging or crediting:*

	2000	1999
	£	£
Depreciation of owned assets	45,686	45,291
Loss on disposal of fixed assets	-	3,018
Hire of equipment	4,066	4,922
Auditors' remuneration	3,750	3,750

## 3 Interest payable and similar charges

	2000	1999
	£	£
Bank overdrafts and loans	65,006	87,374
Finance leases and hire purchase contracts	409	348
	65,415	87,722

## 4 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	989,807	846,281
Social security costs	84,268	55,268
Other pension costs	212,715	112,720
	1,286,790	1,014,269

The average monthly number of employees, including directors, during the year was as follows:

	2000	1999
	Number	Number
Management	22	20
Staff	92	98
	114	118

# Yorkcloud Limited

## Abbreviated notes

(forming part of the financial statements)

### Directors' emoluments

	2000	1999
	£	£
Emoluments	194,654	169,827
Directors' pension contributions under defined contribution schemes	200,000	109,000
	<u>394,654</u>	<u>278,827</u>

Retirement benefits were accruing to directors under schemes as follows:-

	Number	Number
Defined contribution schemes	<u>2</u>	<u>2</u>

### 5 Taxation

	2000	1999
	£	£
Based on the profit for the year		
UK corporation tax at 20.1% (1999: 21%)	19,872	19,520
Deferred tax charge	12,569	(4,173)
	<u>32,441</u>	<u>15,347</u>
Prior periods		
UK corporation tax	749	144
	<u>33,190</u>	<u>15,491</u>

### 6 Dividends

	2000	1999
	£	£
Ordinary dividends - proposed	<u>32,340</u>	<u>32,340</u>

# Yorkcloud Limited

## Abbreviated notes

(forming part of the financial statements)

### 7 Tangible fixed assets

	Freehold land and buildings	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£
At 1 February 1999	1,791,857	67,840	605,619	2,465,316
Additions	235,622	-	62,376	297,998
<b>At 31 January 2000</b>	<b>2,027,479</b>	<b>67,840</b>	<b>667,995</b>	<b>2,763,314</b>
<b>Depreciation</b>				
At 1 February 1999	-	21,360	479,482	500,842
Charge for the year	-	11,621	34,065	45,686
<b>At 31 January 2000</b>	<b>-</b>	<b>32,981</b>	<b>513,547</b>	<b>546,528</b>
<b>Net book value</b>				
<b>At 31 January 2000</b>	<b>2,027,479</b>	<b>34,859</b>	<b>154,448</b>	<b>2,216,786</b>
At 31 January 1999	1,791,857	46,480	126,137	1,964,474

Assets held under hire purchase originally cost £16,310 (1999: £16,310) and have a net book value £9,983 (1999: £13,310)

# Yorkcloud Limited

## Abbreviated notes

(forming part of the financial statements)

### 8 Fixed assets investments

	Loans	Investments Other than Loans	Total
Cost	£	£	£
At 1st February 1999	56,193	60,975	117,168
Additions	7,138	61,870	69,008
<b>At 31st January 2000</b>	<b>63,331</b>	<b>122,845</b>	<b>186,176</b>
<b>Net book value</b>			
<b>At 31 January 2000</b>	<b>63,331</b>	<b>122,845</b>	<b>186,176</b>
At 31 January 1999	56,193	60,975	117,168

The investment other than loans represents the cost of the company's investment in Fine Food Marketing LLC, a limited liability company registered in New York, USA. The investment is \$200,000 being 38% of the equity capital. No income was received during the year. Fine Food Marketing LLC and its wholly owned subsidiary Chelsea Market Baskets Ltd trade in the United States of America as importers and distributors of gourmet food products and gift baskets. At the end of the most recent financial year, 31st December 1999 the unaudited financial statements showed capital and reserves of \$397,882 and \$(121,584) respectively with losses of \$(118,290) and \$(38,122) respectively for the year ended on that date.

The loans are unsecured and interest free with no fixed repayment date.

9 Debtors	2000 £	1999 £
Trade debtors	73,424	83,616
Other debtors	5,227	5,194
	<b>78,651</b>	<b>88,810</b>
<b>10 Creditors: amounts falling due within one year</b>	<b>2000 £</b>	<b>1999 £</b>
Bank loans and overdraft (Note 12)	498,307	489,839
Obligations under hire purchase and finance lease contracts (note 14)	2,352	7,055
Payments received on account	124,791	129,304
Trade creditors	201,676	94,972
Amounts owed to associated undertakings	6,000	-
Corporation tax	19,872	981
Other taxes and social security	101,892	94,634
Proposed dividends	32,340	32,340
Other creditors	106,734	6,618
Accruals and deferred income	195,170	148,107
	<b>1,289,134</b>	<b>1,003,850</b>

# Yorkcloud Limited

## Abbreviated notes

(forming part of the financial statements)

<b>11</b>	<b>Creditors: amounts falling due after one year</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Loans (Note 12)	90,000	90,000
	Bank loans (Note 12)	528,448	599,593
	Obligations under hire purchase and finance lease contracts (Note 13)	-	2,352
		<u>618,448</u>	<u>691,945</u>
<b>12</b>	<b>Loans</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Amounts included in creditors and payable in more than five years other than by instalments:		
	Loans not repayable by instalments	90,000	90,000
	Amounts included in creditors and payable in more than five years by instalments:		
	Bank loans repayable by instalments	599,591	667,651
		<u>689,591</u>	<u>757,651</u>
	Amounts repayable:		
	In one year or less, or on demand	71,143	68,058
	Between one and two years	74,537	71,143
	Between two and five years	295,312	235,186
		<u>440,992</u>	<u>374,387</u>
	In five years or more	248,599	383,264
		<u>689,591</u>	<u>757,651</u>

The interest rate on two bank loans included above, totalling £314,736 is fixed at 10% per annum and monthly repayments are £5,516 including interest. The interest rate on the remaining bank loan of £284,855 is 1.25% over bank base rate and the monthly capital repayment is £3,100 with quarterly interest being charged to the current account. The bank loans are secured by legal mortgages over the company's freehold properties.

The loans not repayable by instalments are from shareholders and include £31,000 from a related company and £50,000 directors loans. These loans are unsecured, interest free and have no fixed repayment date.

<b>13</b>	<b>Obligations under hire purchase and finance leases</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Obligations under finance leases and hire purchase contracts are analysed:		
	Current obligations	2,352	7,055
	Obligations due between one and five years	-	2,352
		<u>2,352</u>	<u>9,407</u>

# Yorkcloud Limited

## Abbreviated notes

(forming part of the financial statements)

### 14 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2000	1999
	£	£
At 1 February 1999	1,549	5,722
Movement in the year	12,569	(4,173)
At 31 January 2000	14,118	1,549

Deferred taxation provided and unprovided for in the financial statements is set out below. The amount provided and unprovided is calculated using a tax rate of 20 % (1999 20%).

	Amount Provided		Amount Unprovided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	14,118	1,549	104,450	104,450

### 15 Share capital

	2000	1999
	£	£
<b>Authorised</b>		
<b>Equity Shares</b>		
100,000 Ordinary shares of £1 each	100,000	100,000
<b>Allotted</b>		
<b>Equity Shares</b>		
92,400 Allotted, called up and fully paid ordinary shares of £1 each	92,400	92,400

### 16 Reserves

	Share premium account	Profit and loss account
	£	£
At 1 February 1998	-	296,701
Profit for the year	-	67,592
Premium on allotment	57,600	-
At 1 February 1999	57,600	364,293
Profit for the year	-	91,705
At 31 January 2000	57,600	455,998

# Yorkcloud Limited

## Abbreviated notes

(forming part of the financial statements)

17	Reconciliation of shareholders' funds	2000	1999
		£	£
	Profit for the financial year	124,045	99,932
	Dividends	(32,340)	(32,340)
		<u>91,705</u>	<u>67,592</u>
	Issue of share capital	-	60,000
		<u>91,705</u>	<u>127,592</u>
	Increase in the shareholders' funds	514,293	386,701
	Opening shareholders' funds	<u>605,998</u>	<u>514,293</u>
	Closing shareholders' funds	<u>605,998</u>	<u>514,293</u>
18	Gross cash flows	2000	1999
		£	£
	<b>Returns on investments and servicing of finance</b>		
	Interest paid	(65,006)	(87,374)
	Interest element of finance lease rentals payment	(409)	(348)
		<u>(65,415)</u>	<u>(87,722)</u>
	Net cash outflow for returns on investments and servicing of finance	<u>(65,415)</u>	<u>(87,722)</u>
	<b>Capital expenditure and financial investment</b>		
	Payments to acquire tangible fixed assets	(297,998)	(167,421)
	Proceeds from the sale of fixed assets	-	2,000
	Purchase of investments	(69,008)	(56,193)
		<u>(367,006)</u>	<u>(221,614)</u>
	Net cash outflow from investing activities	<u>(367,006)</u>	<u>(221,614)</u>
	<b>Financing</b>		
	Issue of ordinary share capital	-	60,000
	Decrease in other loans	-	(60,000)
	Increase/Decrease in bank loans due within 1 year	3,085	(129,890)
	Decrease in other loans due in more than 1 Year	-	-
	Decrease in bank loans due after more than 1 year	(71,145)	(68,059)
	Capital element of finance lease rentals payments	(7,055)	(4,703)
		<u>(75,115)</u>	<u>(202,652)</u>
	Net cash outflow for financing	<u>(75,115)</u>	<u>(202,652)</u>

The purchase of investments of £56,193 in 1999 was a loan to Fine Food Marketing LLC (see note 8) and was shown as part of financing in last year's financial statements.



# Yorkcloud Limited

## Abbreviated notes

(forming part of the financial statements)

### 19 Analysis of changes in net debt

	1999	Cash flows	2000
	£	£	£
Cash at bank and in hand	3,000	-	3,000
Overdrafts	(421,781)	(5,383)	(427,164)
	(418,781)	(5,383)	(424,164)
Debt due within 1 year	(68,058)	(3,085)	(71,143)
Debt due after 1 year	(689,593)	71,145	(618,448)
Finance leases	(9,407)	7,055	(2,352)
	(767,058)	75,115	(691,943)
	<u>(1,185,839)</u>	<u>69,732</u>	<u>(1,116,107)</u>

### 20 Pension scheme

The company operates defined contribution pension schemes for the benefit of the directors and staff. The assets of the schemes are administered by trustees in a fund independent from those of the company. The total contributions paid in the year amounted to £212,715 (1999 £112,720).

### 21 Capital commitments

The company had the following capital commitments:	2000	1999
	£	£
Contracted for but not provided in the financial statements	<u>1,251,000</u>	<u>-</u>

### 22 Transactions with Directors

During the year the company rented rooms, in a house adjacent to the hotel, owned by the managing director, Mr NR Talbot. The total due to Mr Talbot was £5,000 (1999: £5,000). At 31 January 2000 a sum of £10,000 was due to Mr Talbot being two years rent.

### 23 Related parties

During the year the company incurred a management fee of £5,000 from JRB Holdings Limited which is the parent undertaking of Modelbarn Limited, a 33.5% shareholder in the company. JRB Holdings Limited also paid £1,000 on behalf of the company for the purchase of a computer. At 31 January 2000 the amount owing to JRB Holdings Limited was £37,000 (1999: £31,000). The loan is interest free with no fixed repayment term.

At 31 January 2000 there are loans totalling £50,000 (1999: £50,000) from directors/shareholders and £9,000 (1999: £9,000) from shareholders. These loans are interest free with no fixed repayment date.

The details of movements on the company's investment in and loans to Fine Food Marketing LLC, a limited liability company, registered in New York, USA are shown in note 8.