

EXPLOITS LIMITED  
(formerly Hintlesham Hall Limited)

REPORTS AND ACCOUNTS

COMPANIES HOUSE		ENDED 31 DECEMBER 1990
12 FEB 1992		1894782
M		32

COMPANY REGISTRATION NUMBER: 1894782

EXPLOITS LIMITED

DIRECTORS

DJ Watson (Managing Director)  
RHS Watson

SECRETARY

RHS Watson

REGISTERED OFFICE

Unit 17 Owen Road  
Vinces Road  
Diss  
Norfolk

BANKERS

Lloyds Bank PLC  
Ipswich  
Suffolk

AUDITORS

KPMG Peat Marwick  
Chartered Accountants  
Holland Court  
The Close  
Norwich  
NR1 4DY

EXPLOITS LIMITEDDIRECTORS' REPORT

The Directors present their Report and Audited Accounts for the year ended 31 December 1990.

BUSINESS REVIEW

The principal activities of the company and its subsidiary undertaking were as follows:-

Exploits Limited	-	Hoteliers, restaurateurs and vintners
Mosaic Systems Limited	-	Design and manufacture of computer peripheral equipment
Son of Exploits Limited	-	Dormant

The consolidated results for the year are set out on page 5 of these accounts.

On 5 June 1990 the goodwill and assets relating to Hintlesham Hall were sold for a surplus before tax of £2,673,651 (note 7) and subsequently the company changed its name to Exploits Limited.

On 3 July 1990, the company purchased the entire share capital of Son of Exploits Limited. Subsequent to the year end Son of Exploits Limited purchased the trade and goodwill of the Fox and Goose at Fressingfield, and began trading as restaurateurs.

PURCHASE OF OWN SHARES

On 5 June 1990, the company purchased 6 of its own shares from Mr KM Shepherd for £25,000.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY AND ITS SUBSIDIARIES

The Directors of the company during the year and the interests of the directors and their families in the ordinary shares of the company and its subsidiaries at the beginning and end of the year were:

	<u>Exploits Limited</u>	
	<u>£1 Ordinary Shares</u>	
	<u>31.12.90</u>	<u>1.1.90</u>
DJ Watson	97	97
RHS Watson	97	97
KM Shepherd (resigned 5 June 1990)	-	6
T Sunderland (resigned 5 June 1990)	-	-
ER Thompson (resigned 5 June 1990)	-	-

In accordance with the Articles of Association RHS Watson retires by rotation and, being eligible, offers herself for re-election.

FIXED ASSETS

The movement in fixed assets during the year is shown in note 8 to the accounts.

CHARITABLE DONATIONS

Charitable donations for the year totalled £1,296 (1989 £NIL).

EXPLOITS LIMITEDDIRECTORS' REPORT (Cont'd)AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARDRHS WATSONSECRETARY

11 February 1992

Unit 17 Owen Road  
Vinces Road  
Diss  
Norfolk

KPMG Peat Marwick

REPORT OF THE AUDITORS

KPMG PEAT MARWICK

TO THE MEMBERS OF EXPLOITS LIMITED

We have audited the accounts on pages 5 to 16 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 31 December 1990 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

*Chartered Accountants  
Registered Auditor*

*Norwich  
11 February 1992*

EXPLOITS LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1990

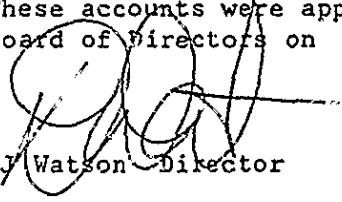
	<u>Note</u>	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
Turnover	2	761,771	1,571,040
Cost of sales		(329,948)	(492,189)
Gross profit		431,823	1,078,851
Administrative expenses		(1,049,880)	(1,244,161)
Other interest receivable		50,609	-
Amounts written off investments	9	(8,062)	-
Interest payable and similar charges	4	(167,882)	(163,981)
(Loss) on ordinary activities before taxation	5	(743,392)	(329,291)
Taxation on ordinary activities	6	236,247	-
(Loss) on ordinary activities after taxation		(507,145)	(329,291)
Extraordinary income	7	2,086,558	-
Minority interests		(17,140)	1,461
Profit/(loss) for the financial year	17	<u>£1,562,273</u>	<u>£(327,830)</u>
Retained by Exploits Limited		1,591,859	(323,448)
Retained by Subsidiary Companies		(29,585)	(4,382)
		<u>£1,562,273</u>	<u>£(327,830)</u>

The notes on pages 9 to 16 form part of these accounts

EXPLOITS LIMITEDCONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 1990

	<u>Note</u>	<u>1990</u>	<u>1989</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	256,000	1,450,187
Investments	9	-	2,000
<b>CURRENT ASSETS</b>			
Stocks	10	52,633	127,023
Debtors	11	67,025	218,376
Cash at bank		1,226,106	4,261
		<u>1,345,764</u>	<u>349,660</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(601,152)</u>	<u>(2,290,614)</u>
<b>Net current assets/ (liabilities)</b>		<u>744,612</u>	<u>(1,940,954)</u>
<b>Total assets less current liabilities</b>		<u>1,000,612</u>	<u>(488,767)</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	<u>(19,960)</u>	<u>(84,994)</u>
<b>NET LIABILITIES</b>		<u>£980,652</u>	<u>£(573,761)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	194	200
Capital redemption reserve		6	-
Profit and loss account	17	980,452	(556,821)
Minority interests		-	(17,140)
		<u>£980,652</u>	<u>£(573,761)</u>

These accounts were approved by the  
Board of Directors on 11 February 1992

  
D.J. Watson - Director

The notes on pages 9 to 16 form part of these accounts

EXPLOITS LIMITEDBALANCE SHEET AS AT 31 DECEMBER 1990

	<u>Note</u>	<u>1990</u>	<u>1989</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	182,990	1,402,356
Investments	9	2	11,244
<b>CURRENT ASSETS</b>			
Stocks	10	50,048	125,458
Debtors	11	37,936	128,141
Cash in hand		1,226,035	4,169
		<u>1,314,019</u>	<u>257,768</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(426,112)</u>	<u>(2,101,255)</u>
<b>Net current assets/ (liabilities)</b>		<u>887,907</u>	<u>(1,843,487)</u>
<b>Total assets less current liabilities</b>		<u>1,070,899</u>	<u>(429,887)</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	<u>-</u>	<u>(66,072)</u>
<b>NET LIABILITIES</b>		<u>£1,070,899</u>	<u>£(495,959)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	194	200
Capital redemption reserve	17	6	-
Profit and loss account	17	1,070,699	(496,159)
		<u>£1,070,899</u>	<u>£(495,959)</u>

These accounts were approved by the  
Board of Directors on 11 February 1991

  
DJ Watson Director

The notes on pages 9 to 16 form part of these accounts



EXPLCITS LIMITEDCONSOLIDATED SOURCE AND APPLICATION OF FUNDS STATEMENTYEAR ENDED 31 DECEMBER 1990

	<u>1990</u>	<u>1989</u>
£	£	£
(Loss) on ordinary activities before taxation	(743,392)	(329,291)
Extraordinary income (excluding taxation)	2,534,699	-
Adjustment for items not involving the movement of funds:-		
Depreciation	106,300	130,027
(Profit) on disposal of tangible fixed assets	(2,574,786)	(2,709)
Transfer of investments		
Loss on disposal of investments	24,000	-
Write down of investments	8,062	-
<b>FUNDS ABSORBED BY OPERATIONS</b>	<b>(645,117)</b>	<b>(201,973)</b>
<b>FUNDS FROM OTHER SOURCES</b>		
Proceeds of sale of fixed assets	5,051,931	62,450
Proceeds of sale of investments	10,000	-
<b>APPLICATION OF FUNDS</b>		
Purchase of tangible fixed assets	1,389,258	715,132
Purchase of investments	40,062	2,000
Decrease in creditors due after more than one year	65,034	476,528
Goodwill arising on acquisition of subsidiary	-	56,280
Minority interests	-	15,679
Purchase of own shares	25,000	-
ACT paid	8,333	-
	<u>(1,527,687)</u>	<u>(1,265,619)</u>
	<u>£2,889,127</u>	<u>£(1,405,142)</u>
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>		
(Decrease)/increase in stocks	(74,390)	37,514
(Decrease)/increase in debtors	(151,351)	126,550
Decrease/(increase) in creditors due within one year (excluding corporation tax and bank overdraft)	596,196	(349,266)
<b>MOVEMENT IN NET LIQUID FUNDS</b>		
Increase in cash in hand	1,221,845	3,378
Decrease/(increase) in bank overdraft	1,296,827	(1,223,318)
	<u>£2,889,127</u>	<u>£(1,405,142)</u>

The notes on pages 9 to 16 form part of these accounts

EXPLOITS LIMITEDNOTES TO THE ACCOUNTS1 ACCOUNTING POLICIESBASIS OF ACCOUNTING

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

The group accounts consolidate the accounts of the parent company and its subsidiary undertakings. The accounts of all the group companies are made up to 31 December 1990. A separate profit and loss account has not been provided for Exploits Limited by virtue of its exemption under Section 230(4) of the Companies Act 1985.

STOCKS

Goods for resale are valued at the lower of cost and net realisable value.

DEPRECIATION

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal instalments over their useful lives as follows:-

Class of Asset	Depreciation rate
Racehorses	Nil
Freehold land and buildings	Nil
Antiques	Nil
Leasehold Improvementsa	33%
Motor vehicles	25%
Fittings and equipment	12½% - 25%

DEFERRED TAXATION

The group provides for deferred taxation at the rates at which liabilities are expected to crystallise to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes.

Provision is not made for deferred tax assets unless there is a reasonable certainty of their recovery in the next accounting period.

HIRE PURCHASE

The cost of assets acquired under hire purchase agreements are capitalised and written off over the estimated useful life of the asset or over the period of the agreement when such period approximates to the estimated useful life. The finance charges are charged to revenue in the year in which they accrue on a sum of digits basis.

EXPLOITS LIMITEDNOTES TO THE ACCOUNTS (Cont'd)2 TURNOVER

Turnover represents amounts invoiced by the group in respect of goods and services provided during the year, excluding Value Added Tax.

3 STAFF NUMBERS AND COSTS

The average number of persons employed by the group (including directors) during the year was as follows:-

	<u>1990</u>	<u>1989</u>
Management	8	8
Administration	25	59
	<u>33</u>	<u>67</u>

The aggregate payroll costs of these persons were as follows:-

	<u>£</u>	<u>£</u>
Wages and salaries	345,669	449,897
Social security costs	34,251	44,636
	<u>£379,920</u>	<u>£494,533</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
On bank overdraft	136,396	80,897
On bank loan	-	57,058
Hire purchase agreements	31,486	26,026
	<u>£167,882</u>	<u>£163,981</u>

5 (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss) on ordinary activities before taxation is stated after charging the following:-

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
Depreciation of tangible fixed assets	106,300	130,027
Auditors remuneration	8,000	7,000
Directors emoluments: as executives	45,560	10,312
: compensation for loss of office	23,362	-
	<u>183,222</u>	<u>147,339</u>

EXPLOITS LIMITEDNOTES TO THE ACCOUNTS (Cont'd)

6	<u>TAXATION</u>	<u>1990</u> £	<u>1989</u> £
	The credit in respect of taxation on ordinary activities represents		
	Corporation tax at 34.25%:	<u>£236,247</u>	<u>NIL</u>
7	<u>EXTRAORDINARY INCOME</u>	<u>1990</u> £	<u>1989</u> £
	Surplus on sale of Hintlesham Hall	2,673,651	-
	Loss on sale of quoted investments	(24,387)	-
	Loss on sale of freehold flat	(114,565)	-
	Corporation tax at 34.25%	<u>(448,141)</u>	..
		<u>£2,086,558</u>	<u>£NIL</u>

EXPLOITS LIMITEDNOTES TO THE ACCOUNTS (Cont'd)8 TANGIBLE FIXED ASSETSGROUP

	<u>Racehorses</u>	<u>Freehold Land</u>	<u>Leasehold</u>	<u>Antiques</u>	<u>Motor</u>	<u>Fittings</u>	<u>Total</u>
	£	£	£	£	£	£	£
<u>Cost</u>							
At 1 January 1990	6,981	412,396	106,779	140,667	211,563	789,145	1,667,531
Additions	3,846	1,131,988	7,132	47,938	70,220	128,134	1,389,258
Disposals	(7,942)	(1,448,943)	(105,035)	(188,605)	(132,448)	(839,970)	(2,722,943)
At 31 December 1990	2,885	95,441	8,876	-	149,335	77,309	333,846
<u>Depreciation</u>							
At 1 January 1990	-	-	1,501	-	41,734	174,109	217,344
Charge for the year	-	-	1,622	-	40,162	64,516	106,300
On disposals	-	-	-	-	(47,532)	(198,266)	(245,798)
At 31 December 1990	-	-	3,123	-	34,364	40,359	77,846
Net Book Value at 31 December 1990	£2,885	£95,441	£5,753	£NIL	£114,971	£36,950	£256,000
Net Book Value at 31 December 1989	£6,981	£412,396	£105,278	£140,667	£169,829	£615,036	£1,450,187

Included in fittings and equipment and motor vehicles are assets held under hire purchase agreements which have a net book value of £109,024 (1989 - £210,097). Depreciation charged during the year on these assets amounted to £34,359 (1989 - £21,524).

EXPLOITS LIMITED

NOTES TO THE ACCOUNTS (Cont'd)

8 TANGIBLE FIXED ASSETS (Cont'd)

COMPANY

<u>Cost</u>	<u>Racehorses</u> <u>£</u>	<u>Freehold Land</u> <u>and Buildings</u> <u>£</u>	<u>Leasehold</u> <u>Improvements</u> <u>£</u>	<u>Antiques</u> <u>£</u>	<u>Motor</u> <u>Vehicles</u> <u>£</u>	<u>Fittings</u> <u>and</u> <u>Equipment</u> <u>£</u>	<u>Total</u> <u>£</u>
At 1 January 1990	6,981	412,375	105,035	140,667	178,563	747,570	1,591,212
Additions	3,846	1,122,228	-	47,938	49,620	119,020	1,342,652
Disposals	(7,942)	(1,448,943)	(105,035)	(188,605)	(100,553)	(839,970)	(2,691,048)
Inter group transfers	-	-	-	-	(21,245)	(15,142)	(36,387)
At 31 December 1990	2,885	85,681	-	-	106,385	11,478	206,429

Depreciation

At 1 January 1990	-	-	-	-	38,484	150,372	188,856
Charge for the year	-	-	-	-	30,668	51,250	81,918
On disposals	-	-	-	-	(41,788)	(198,266)	(240,054)
Inter group transfers	-	-	-	-	(5,744)	(1,537)	(7,281)
At 31 December 1990	-	-	-	-	21,620	1,819	23,439

Net Book Value at  
31 December 1990

£2,885	£85,681	£NIL	£NIL	£84,765	£9,659	£182,990
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Net Book Value at  
31 December 1989

£6,981	£412,396	£105,035	£140,667	£140,079	£597,198	£1,402,356
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Included in fittings and equipment and motor vehicles are assets held under hire purchase agreements which have a net book value of £75,099 (1989 - £180,347). Depreciation charged during the year on these assets amounted to £24,334 (1989 - £18,274).

EXPLOITS LIMITEDNOTES TO THE ACCOUNTS (Cont'd)9 INVESTMENTS (Held as Fixed Assets)

## i) The Group

Listed  
Investments  
£

Cost at 1 January 1990	2,000
Additions	40,062
Disposals	(34,000)
Amounts written off	(8,062)
Cost at 31 December 1990	<u>£NIL</u>

## ii) The Company

	<u>Subsidiary Undertaking</u>	<u>Listed Investments</u>	<u>Total</u>
	£	£	£
Cost at 1 January 1990	9,244	2,000	11,244
Additions	2	40,062	40,064
Disposals	-	(34,000)	(34,000)
Amounts written off	(9,244)	(8,062)	(17,306)
Cost at 31 December 1990	<u>£2</u>	<u>£NIL</u>	<u>£2</u>

On 3 July 1990, the company acquired a 100% interest in Son of Exploits Limited.

10 STOCKS

	<u>1990</u>		<u>1989</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£	£	£	£
Goods for resale	52,633	50,048	80,135	78,570
Consumables	-	-	46,888	46,888
	<u>£52,633</u>	<u>£50,048</u>	<u>£127,023</u>	<u>£125,458</u>

11 DEBTORS

	<u>1990</u>		<u>1989</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£	£	£	£
Trade debtors	32,566	2,981	139,112	48,451
Other debtors	19,970	17,564	35,652	34,328
Prepayments and accrued income	14,489	7,633	43,612	38,246
Amounts owed by subsidiary undertakings	-	9,758	-	7,116
	<u>£67,025</u>	<u>£37,936</u>	<u>£218,376</u>	<u>£128,141</u>

EXPLOITS LIMITEDNOTES TO THE ACCOUNTS (Cont'd)

12 <u>CREDITORS: Amounts falling due within one year</u>	<u>1990</u>		<u>1989</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank overdrafts	122,097	-	1,418,924	1,350,241
Hire purchase	83,750	72,362	95,089	87,222
Trade creditors	64,143	45,695	270,429	190,957
Other taxes and social security	11,078	118,394	38,187	28,007
Other creditors	107,740	104,494	378,102	373,856
Accruals	8,783	-	89,883	70,972
Corporation tax	203,561	203,561	-	-
	<u>£601,152</u>	<u>£426,112</u>	<u>£2,290,614</u>	<u>£2,101,255</u>

On 31 March 1991, the bank called on its guarantee given by Mr DJ Watson. Mr Watson repaid £75,000 of the bank overdraft and £35,000 was transferred to an unsecured loan. Interest is being charged on the bank loan at base rate plus 2%.

13 <u>CREDITORS: Amounts falling due after more than one year</u>	<u>1990</u>		<u>1989</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Hire purchase (due between two to five years)	<u>£19,960</u>	<u>£NIL</u>	<u>£84,994</u>	<u>£66,072</u>

14 DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

Included in Administrative expenses are property rents of £120,000 (1989 - £64,000) paid to Hintlesham Hall, a partnership in which DJ Watson and RHS Watson are partners.

15 <u>SHARE CAPITAL</u>	<u>1990</u>	<u>1989</u>
Authorised: 10,000 ordinary shares of £1 per share	<u>£10,000</u>	<u>£10,000</u>
Allotted, called up and fully paid:		
194 ordinary shares of £1 per share (see note 17)	<u>£194</u>	<u>£200</u>

16 SUBSIDIARY UNDERTAKINGS

At 31 December 1990, Exploits Limited has the following subsidiary undertakings which are both registered in England.

	<u>% Owned</u>	<u>Class of Share Capital</u>
Mosaic Systems Limited	75%	Ordinary
Son of Exploits Limited	100%	Ordinary

Mosaic Systems Limited carries out the business of design and manufacture of computer peripheral equipment. Son of Exploits Limited did not trade during the financial year.



EXPLOITS LIMITEDNOTES TO THE ACCOUNTS (Cont'd)17 PROFIT AND LOSS ACCOUNT

During the year, Exploits Limited purchased 6 ordinary £1 shares from Mr KM Shepherd and in order to maintain capital, a transfer of £6 has been made to the capital redemption reserve.

The movement in revenue reserves during the year is summarised below.

	<u>1990</u>		<u>1989</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 January 1990	(556,821)	(496,159)	(172,711)	(172,711)
Retained profit/(loss) for year	1,562,273	1,591,858	(327,830)	(323,448)
Goodwill arising on acquisition	-	-	(56,280)	-
Dividend relating to purchase of own shares	(24,994)	(24,994)	-	-
Transfer to capital redemption reserve	(6)	(6)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance carried forward 31 December 1990	<u>£980,452</u>	<u>£1,070,699</u>	<u>£(556,821)</u>	<u>£(496,159)</u>