

CERTIFIED ACCOUNTS

Signatures required indicating

approval by:—

Directors, Secretary, Auditors

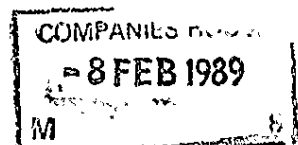
1894782.

HINTLESHAM HALL LIMITED

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1988

Peat Marwick McLintock



HINTLESHAM HALL LIMITED

DIRECTORS

DJ Watson (Managing Director)  
RHS Watson  
KM Shepherd

SECRETARY

RHS Watson

REGISTERED OFFICE

Hintlesham Hall  
Hintlesham  
Suffolk  
IP8 3NS

BANKERS

Lloyds Bank plc  
13 Cornhill  
Ipswich  
IP1 1DG

AUDITORS

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

HINTLESHAM HALL LIMITEDDIRECTORS' REPORT

The Directors present their Report and Accounts for the year ended 31 March 1988.

BUSINESS REVIEW

The principal activities of the company are those of hoteliers and restaurateurs.

The company commenced trading on 1 January 1988 taking over the business previously carried on by and certain assets previously owned by Hintlesham Hall Partnership. Prior to this the company was non-trading.

The Directors do not propose any dividend this year.

The results for the year are:-

	<u>1988</u>	<u>1987</u>
Turnover	<u>£167,574</u>	<u>£-</u>
(Loss) on ordinary activities before taxation	(60,277)	(330)
Taxation thereon	-	-
(Loss) in ordinary activities after taxation	(60,277)	(330)
Extraordinary item	(25,000)	-
Retained (loss) for the financial year	<u>£(85,277)</u>	<u>£(230)</u>

DIRECTORS

The Directors of the company during the year were:

DJ Watson  
RHS Watson  
KM Shepherd (Appointed 1 January 1988)

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

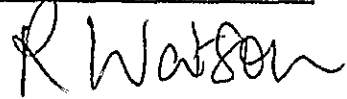
DIRECTORS INTERESTS IN SHARES OF THE COMPANY

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

	<u>31.3.88</u>	<u>31.3.87</u>
DJ Watson	97	100
RHS Watson	97	100
KM Shepherd	6	-

HINTLESHAM HALL LIMITEDDIRECTORS' REPORT (Cont'd)AUDITORS

During the year Messrs Peters Elworthy & Moore, retired as auditors of the company and Messrs Peat Marwick McLintock have been acting in their stead. A resolution for the appointment of Messrs Peat Marwick McLintock will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARDRHS WATSONSECRETARY

Hintlesham Hall  
Hintlesham  
Suffolk  
IP8 3NS

Peat Marwick McLintock

AUDITORS REPORT TO THE MEMBERS OF

HINTLESHAM HALL LIMITED

We have audited the financial statements on pages 5 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1988 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Robert Norman: at Halesworth*

*Norman  
10th November 1988*

HINTLESHAM HALL LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1988

	<u>Note</u>	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Turnover	2	167,574	-
Cost of sales		52,693	-
Gross profit		114,881	-
Administrative expenses		175,158	(330)
(Loss) on ordinary activities before taxation		(60,277)	(330)
Taxation	5	-	-
(Loss) on ordinary activities after taxation		(60,277)	(330)
Extraordinary item	14	(25,000)	-
Retained (loss) for the financial year		(85,277)	(330)
Retained (loss) brought forward		(723)	(393)
Goodwill written off	12	(1)	-
Retained (loss) carried forward		<u>£(86,001)</u>	<u>£(723)</u>

The notes on pages 8 to 11 form part of these accounts

HINTLESHAM HALL LIMITED  
BALANCE SHEET AS AT 31 MARCH 1988

	<u>Note</u>	<u>1988</u>	<u>1987</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	482,583	-
<b>CURRENT ASSETS</b>			
Stocks	7	68,772	-
Debtors	8	31,012	-
Cash in hand		555	-
		<u>100,339</u>	<u>-</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(418,723)</u>	<u>(523)</u>
<b>Net Current Liabilities</b>		(318,384)	(523)
<b>CREDITORS: Amounts falling due after more than one year</b>		<u>(250,000)</u>	<u>-</u>
<b>NET LIABILITIES</b>		<u>£(85,801)</u>	<u>£(523)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	200	200
Profit and loss account		<u>(86,001)</u>	<u>(723)</u>
		<u>£(85,801)</u>	<u>£(523)</u>

These accounts were approved by the  
Board of Directors on 10 November 1988

DJ Watson *DJ Watson* )  
) Directors  
RHS Watson *RHS Watson* )

The notes on pages 8 to 11 form part of these accounts

HINTLESHAM HALL LIMITEDYEAR ENDED 31 MARCH 1988SOURCE AND APPLICATION OF FUNDS STATEMENT

	£	<u>1988</u>	£	£	<u>1987</u>	£
(Loss) on ordinary activities before taxation			(60,277)			(330)
Extraordinary item			(25,000)			-
Adjustment for items not involving the movement of funds:- Depreciation			15,423			-
FUNDS ABSORBED BY OPERATIONS			(69,854)			(330)
APPLICATION OF FUNDS						
Net additions to fixed assets			498,006			-
Purchase of goodwill			1			-
			<u>£(567,361)</u>			<u>£(330)</u>
(DECREASE) IN WORKING CAPITAL						
Increase in Stocks			68,772			-
Increase in Debtors			31,012			-
(Increase) in Creditors			(668,200)			(330)
MOVEMENT IN NET LIQUID FUNDS						
Increase in cash in hand			555			-
			<u>£(567,861)</u>			<u>£(330)</u>

The notes on pages 8 to 11 form part of these accounts



HINTLECHAM HALL LIMITEDNOTES TO THE ACCOUNTS1 ACCOUNTING POLICIESBASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

STOCKS

Goods for resale are valued at the lower of cost and net realisable value. Consumables are written down over their expected useful life of three years.

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	Straight line depreciation rate
Freehold land and buildings	Nil
Antiques	Nil
Motor vehicles	25% per annum
Fixtures, fittings and equipment	12½% per annum

DEFERRED TAXATION

The company provides 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.

2 TURNOVER

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

HINTLESHAM HALL LIMITEDNOTES TO THE ACCOUNTS (Cont'd)3 STAFF NUMBERS AND COSTS

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

	<u>1988</u>	<u>1987</u>
Management	6	2
Administration	35	-
	<u>41</u>	<u>2</u>

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

	<u>£</u>	<u>£</u>
Wages and salaries	46,323	-
Social security costs	19,571	-
	<u>£65,894</u>	<u>-</u>

4 (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Depreciation of tangible fixed assets	15,345	-
Auditors remuneration and expenses	1,500	-

5 TAXATION

No provision is required for taxation or deferred taxation. At the end of the year the company had unused tax relief of approximately £42,000 which is available to offset against future profits.

# HINTLESHAM HALL LIMITED

## NOTES TO THE ACCOUNTS (Cont'd)

### 6 TANGIBLE FIXED ASSETS

	<u>Antiques</u>	<u>Motor Vehicles</u>	<u>Fixtures Fittings and Equipment</u>	<u>Total</u>
	£	£	£	£
<u>Cost</u>				
At 1 April 1987	-	-	-	-
Transfers from partnership	75,433	27,735	322,522	425,690
Transfers from stocks	-	-	59,029	59,029
Additions	5,731	9,095	16,273	31,099
	<u>81,164</u>	<u>36,830</u>	<u>397,824</u>	<u>515,818</u>
At 31 March 1988				
<u>Depreciation</u>				
At 1 April 1987	-	-	-	-
Transfers from stocks	-	-	17,812	17,812
Charge for year	-	2,302	13,121	15,423
	<u>-</u>	<u>2,302</u>	<u>30,933</u>	<u>33,235</u>
At 31 March 1988				
<u>Net Book Value</u>				
At 31 March 1988	<u>£81,164</u>	<u>£34,528</u>	<u>£366,891</u>	<u>£482,583</u>
At 31 March 1987	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£-</u>

### 7 STOCKS

	<u>1988</u>	<u>1987</u>
	£	£
Goods for resale	57,590	-
Consumables	11,182	-
	<u>£68,772</u>	<u>£-</u>

### 8 DEBTORS

	<u>1988</u>	<u>1987</u>
	£	£
Trade debtors	22,378	-
Other debtors	1,500	-
Prepayments and accrued income	7,134	-
	<u>£31,012</u>	<u>£-</u>

HINTLESHAM HALL LIMITEDNOTES TO THE ACCOUNTS (Cont'd)

9	<u>CREDITORS: Amounts falling due within one year</u>	<u>1988</u>	<u>1987</u>
		£	£
	Trade creditors	72,111	523
	Other taxes and social security	26,355	-
	Other creditors	264,996	-
	Accruals	55,261	-
		<u>£418,723</u>	<u>£523</u>

10	<u>CREDITORS: Amounts falling due after more than one year</u>	<u>1988</u>	<u>1987</u>
	Other creditors	<u>£250,000</u>	<u>£-</u>

11 DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

Included in Administrative Expenses are the following:

- a) A management charge of £1,500 from Mosaic Systems Limited, a company of which DJ Watson, RHS Watson and KM Shepherd are directors.
- b) Property rents of £24,000 were paid to Hintlesham Hall a partnership in which DJ Watson, RHS Watson and KM Shepherd are partners.

All the above transactions were conducted on an arms length basis.

12	<u>SHARE CAPITAL</u>	<u>1988</u>	<u>1987</u>
	Authorised: 10,000 shares of £1 per share	<u>£10,000</u>	<u>£10,000</u>
	Allotted, called up and fully paid: 200 shares of £1 per share	<u>£200</u>	<u>£200</u>

13 GOODWILL

Goodwill arose on the acquisition of certain assets of Hintlesham Hall Partnership.

	£
Balance at 1 April 1987	-
Purchased and paid during the year	1
Written off against reserves	(1)
Balance at 31 March 1988	<u>£-</u>

14 EXTRAORDINARY ITEM

The extraordinary item comprises professional fees that arose from the abortive sale of Hintlesham Hall during the year.