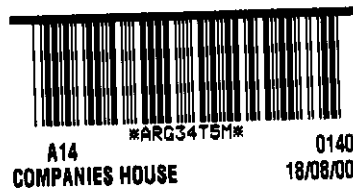


2892663

**C-SIDE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 1999**



**C-SIDE LIMITED**  
**COMPANY INFORMATION**

**Directors:**

M. Webb  
S. Kirby

**Secretary:**

M. Webb

**Registered Office:**

97 Church Street  
Brighton  
BN1 1UJ

**Company No:**

2892663

**Bankers:**

Barclays Bank PLC  
P.O. Box 2915  
Brighton  
East Sussex  
BN1 1SJ

**Auditors:**

Wilson Sandford & Co.  
Chartered Accountants  
& Registered Auditors  
97 Church Street  
Brighton  
BN1 1UJ

**C-SIDE LIMITED**

**INDEX TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1999**

**Page No.**

1. Notice of Meeting
2. Directors' Report
3. Auditor's Report to the Shareholders
4. Profit and Loss Account
5. Balance Sheet
6. Cash Flow statement
- 7 - 14. Notes to the Financial Statements

**Appendices:**

Detailed Profit and Loss Accounts

**C-SIDE LIMITED**  
**NOTICE OF MEETING**

Notice is hereby given that the Annual General Meeting of the Company will be held at 97 Church Street, Brighton, BN1 1UJ on 13th July 2000 at 2 p.m. for the following purposes:-

1. To confirm the minutes of the previous meeting
2. To receive the Directors report and the Accounts for the financial year ended 31st December 1999, as circulated.
3. To re-elect the directors.
4. To re-appoint the auditors, Messrs. Wilson Sandford & Co., for the year to 31st December 2000 and to authorise the directors to fix the remuneration of the auditors.
5. To transact any other business.

**On behalf of the Board**

  
.....  
**S.G. Kirby**  
**Director**

13 JULY 2000  
.....

## **C-SIDE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1999**

#### **DIRECTORS RESPONSIBILITIES**

Company law requires us as directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company's principal activity during the year was as operators within the leisure industry. The directors consider the results for the year to be satisfactory.

#### **DIRECTORS AND INTERESTS IN SHARES**

The directors in office throughout the year and their interest, in the shares of the company, were as follows:

	<b>Number of shares</b>	
	<b><u>1999</u></b>	<b><u>1998</u></b>
M. Webb	50	50
S. Kirby	50	50

#### **RESULTS AND DIVIDENDS**

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed financial statements. The directors recommended dividends of £308,000 (1998: £220,000).

#### **AUDITORS**

The auditors, Wilson Sandford & Co., have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

**On behalf of the Board**

  
.....  
**S.G. KIRBY**  
**Director**

13 July 2000  
.....

## **AUDITORS REPORT TO THE SHAREHOLDERS OF C-SIDE LIMITED**

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


### **BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
.....  
**Wilson Sandford & Co.**  
**Chartered Accountants**  
**& Registered Auditors**  
**UK200 Group Member**

97 Church Street  
Brighton  
East Sussex  
BN1 1UJ

13 July 2000  
.....

**C-SIDE LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 1999**

	<u>Notes</u>	<u>£</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
<b>TURNOVER</b>	<b>2</b>		6,841,272	5,215,757
<b>COST OF SALES</b>			(2,156,455)	(1,850,108)
<b>GROSS PROFIT</b>			4,684,817	3,365,649
Administrative expenses			(3,253,659)	(2,513,751)
			1,431,158	851,898
Other operating income	<b>3</b>		24,327	12,136
<b>OPERATING PROFIT</b>	<b>4</b>		1,455,485	864,034
Interest receivable		19,429		11,423
Interest payable	<b>6</b>	(48,504)		(94,735)
			(29,075)	(83,312)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,426,410	780,722
Tax on ordinary activities	<b>7</b>		(447,216)	(247,919)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>			979,194	532,803
Dividends	<b>8</b>		(308,000)	(220,000)
<b>RETAINED PROFIT FOR THE YEAR</b>			671,194	312,803
Retained profit brought forward			688,704	375,902
<b>RETAINED PROFIT CARRIED FORWARD</b>			1,359,898	688,705

There were no recognised gains or losses other than those passing through the profit and loss account.

There were no acquisitions and no discontinued operations in the period.


The annexed notes form part of these financial statements.

**C-SIDE LIMITED****BALANCE SHEET  
AS AT 31ST DECEMBER 1999**

	<u>Notes</u>	£	<u>1999</u> £	<u>1998</u> £
<b>FIXED ASSETS</b>				
Intangible assets	9		232,522	265,740
Tangible assets	10		1,892,555	1,675,391
Investments	11		-	29,538
			<u>2,125,077</u>	<u>1,970,669</u>
<b>CURRENT ASSETS</b>				
Stocks	12	127,471		98,850
Debtors	13	247,993		162,943
Cash at bank and in hand		313,084		290,963
			<u>688,548</u>	<u>552,756</u>
<b>CREDITORS - amounts falling due within one year</b>	14	(1,423,448)		(1,018,929)
<b>NET CURRENT (LIABILITIES)</b>			<u>(734,900)</u>	<u>(466,173)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,390,177	1,504,496
<b>CREDITORS - amounts falling due after more than one year</b>	15		(30,179)	(815,691)
<b>NET ASSETS</b>			<u>1,359,998</u>	<u>688,805</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		100	100
Profit and loss account			1,359,898	688,705
<b>SHAREHOLDERS FUNDS</b>	17		<u>1,359,998</u>	<u>688,805</u>

The financial statements were approved by the Board of Directors  
on 13th July 2000

Signed on behalf of the board:

  
.....  
S. Kirby  
Director

The annexed notes form part of these financial statements.



**C - SIDE LIMITED**

**CASH FLOW STATEMENT  
AS AT 31ST DECEMBER 1999**

	<u>Notes</u>	<u>1999</u> £	<u>1998</u> £
<b>Reconciliation of operating profit to Net cash inflow from operating activities</b>			
Operating profit		1,455,485	864,034
(Profit)/Loss on disposal of assets		(86,743)	(16,031)
Depreciation charges		192,479	174,623
Decrease/(Increase) in stocks		(28,621)	(17,406)
Decrease/(Increase) in debtors		(98,050)	19,154
Increase/(Decrease) in creditors		265,278	207,630
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<u>1,699,828</u>	<u>1,232,004</u>
<b>CASH FLOW STATEMENT</b>			
Net cash (Outflow)/inflow from operating activities		1,699,828	1,232,004
Returns on investment and servicing of finance	20	(337,075)	(303,312)
Taxation		(236,965)	(132,723)
Capital expenditure	20	(1,103,667)	(605,197)
<b>INCREASE IN CASH</b>		<u>22,121</u>	<u>190,772</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
	21		
Increase in cash in year and change in net Debt		22,121	190,772
Net debt at 1st January 1999		290,963	100,191
Net debt at 31st December 1999		<u>313,084</u>	<u>290,963</u>

## C-SIDE LIMITED

### NOTES TO THE ACCOUNTS

#### 1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

##### 1.1 Accounting conventions

The financial statements are prepared under the historical cost convention.

##### 1.2 Depreciation of tangible assets

Depreciation is calculated to write off the net cost of each asset over its expected useful life and the following rates apply:-

Freehold property	-	over 50 years
Leasehold buildings	-	evenly over the lease term
Fixtures and fittings:	25%	reducing balance
Motor vehicles:	25%	reducing balance
Goodwill	-	over 10 years

##### 1.3 Stocks

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

##### 1.4 Deferred taxation

Provision for deferred taxation is made under the liability method only to the extent that it is possible that the liability will become payable in the foreseeable future.

##### 1.5 Leases

Where assets are financed by leasing agreements that give risks and rewards approximating to ownership (finance leases), they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

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

#### 2. TURNOVER

Turnover is the total amount receivable by the company in the ordinary course of business for goods provided, excluding VAT and trade discounts. None of the company's turnover related to exports.

#### 3. OTHER OPERATING INCOME

	<u>1999</u>	<u>1998</u>
	£	£
Rent receivable	24,327	12,136
	<u>£ 24,327</u>	<u>£ 12,136</u>

**C-SIDE LIMITED****NOTES TO THE ACCOUNTS - continued****4. OPERATING PROFIT**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
This is stated after charging/(crediting):		
Directors' emoluments	20,000	22,000
Equipment hire	95,227	65,742
Auditors' remuneration	8,000	6,500
Amortisation of goodwill	33,218	33,218
Depreciation:		
Owned assets	130,398	105,803
Under H.P. and finance leases	28,863	35,602
(Profit)/loss on sale of fixed assets	(86,743)	(16,031)
Operating lease rentals - premises	307,430	224,033

**5. STAFF COSTS**

The average number of persons employed by the company, including directors during the year was as follows:

	<u>1999</u>	<u>1998</u>
Management and administration	10	10
Sales	117	96
	<u>127</u>	<u>106</u>

The aggregate payroll costs of these persons were as follows:

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1,409,951	820,326
Social security	59,724	60,271
	<u>1,469,675</u>	<u>880,597</u>

**6. INTEREST PAYABLE**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Included in this category are:		
Hire purchase interest	10,578	8,036

**C-SIDE LIMITED****NOTES TO THE ACCOUNTS - continued**

<b>7. TAXATION</b>	<b><u>1999</u></b>	<b><u>1998</u></b>
	<b>£</b>	<b>£</b>
The tax charge on the profit on ordinary activities for the year was as follows:		
U.K. corporation tax at 30% (1998: 31%)	445,173	247,919
	<u>445,173</u>	<u>247,919</u>
Taxation (over)/underprovided in previous years:		
Corporation tax	2,043	-
	<u>447,216</u>	<u>247,919</u>
Unprovided deferred taxation:		
Accelerated capital allowances	27,161	21,494
	<u>27,161</u>	<u>21,494</u>
<b>8. DIVIDENDS</b>	<b><u>1999</u></b>	<b><u>1998</u></b>
	<b>£</b>	<b>£</b>
Dividends paid:		
£3,080 (1998: £2,200) per ordinary share	308,000	220,000
	<u>308,000</u>	<u>220,000</u>
<b>9. INTANGIBLE FIXED ASSETS</b>		
	<b><u>Goodwill</u></b>	
	<b>£</b>	
<b>Cost:</b>		
At 1st January 1999 and		
At 31st December 1999		300,000
		<u>300,000</u>
<b>Amortisation:</b>		
At 1st January 1999		34,260
Charge for the year		33,218
		<u>67,478</u>
At 31st December 1999		67,478
		<u>67,478</u>
<b>Net Book Value:</b>		
At 31st December 1999		232,522
		<u>232,522</u>
At 1st January 1999		265,740
		<u>265,740</u>

**C-SIDE LIMITED**
**NOTES TO THE ACCOUNTS - continued**
**10. TANGIBLE FIXED ASSETS**

	<u>Land and buildings</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
<b>Cost:</b>				
At 1st January 1999	1,395,057	556,493	43,929	1,995,479
Additions	173,507	196,757	7,495	377,759
Disposals	-	-	(2,700)	(2,700)
At 31st December 1999	1,568,564	753,250	48,724	2,370,538
<b>Depreciation:</b>				
At 1st January 1999	64,328	239,625	16,133	320,086
Charge for year	32,793	119,247	7,221	159,261
Eliminated on disposals	-	-	(1,364)	(1,364)
At 31st December 1999	97,121	358,872	21,990	477,983
<b>Net book value:</b>				
At 31st December 1999	1,471,443	394,378	26,734	1,892,555
At 1st January 1999	1,330,729	316,868	27,796	1,675,393

The net book value of land and buildings comprises:

	<u>1999</u> £	<u>1998</u> £
Freehold	943,215	947,769
Leasehold	528,228	382,960
	<u>1,471,443</u>	<u>1,330,729</u>

Included within Motor vehicles and fixtures and fittings are assets held under hire purchase agreements with a net book value at the balance sheet date of £92,211 (1998: £106,809).

**11. FIXED ASSET INVESTMENTS**

	<u>1999</u> £	<u>1998</u> £
Shares at cost less amounts written off	-	29,538
	<u>-</u>	<u>29,538</u>

**12. STOCKS**

	<u>1999</u> £	<u>1998</u> £
Goods for resale	127,471	98,850
	<u>127,471</u>	<u>98,850</u>

**C-SIDE LIMITED****NOTES TO THE ACCOUNTS - continued**

<b>13. DEBTORS</b>	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Amounts owed by related companies	150,063	118,353
Other debtors	-	1,650
Prepayments	97,930	42,940
	<u>247,993</u>	<u>162,943</u>
 <b>14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	 <b><u>1999</u></b> <b>£</b>	 <b><u>1998</u></b> <b>£</b>
Brewery loans	-	93,725
Trade creditors	520,750	294,009
Corporation tax	432,173	192,919
Taxation and social security	168,407	158,581
Directors' current accounts	24,820	5,473
Other creditors	113,319	103,606
Accruals	103,460	66,537
Advance corporation tax	13,000	55,000
Obligations under hire purchase contracts	47,519	49,079
	<u>1,423,448</u>	<u>1,018,929</u>

The maximum amount by which the directors' loan accounts were overdrawn at any point in the year were as follows:

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
M. Webb	52,108	66,146
S. Kirby	<u>53,270</u>	<u>66,036</u>

# C-SIDE LIMITED

## NOTES TO THE ACCOUNTS - continued

### 15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1999</u>	<u>1998</u>
	£	£
Brewery loan (see note 15.1)	-	749,800
Hire purchase contracts	30,179	65,891
	<u>30,179</u>	<u>815,691</u>

### .1 The total amount of brewery loans were as follows:

Falling due within 1 year	-	93,725
	<u>-</u>	<u>93,725</u>
Falling due after more than one year:		
Due within 1-2 years	-	93,725
Due within 2-5 years	-	281,175
Due after 5 years	-	374,900
	<u>£ -</u>	<u>£ 749,800</u>
Total borrowings	<u>£ -</u>	<u>£ 843,525</u>

### 16. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, issued and fully paid</u>	
	£	<u>1999</u>	<u>1998</u>
		£	£
Ordinary shares of £1 each	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>

### 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1999</u>	<u>1998</u>
	£	£
Profit for the financial year	979,194	532,803
Dividends paid	(308,000)	(220,000)
Net addition to shareholders funds	<u>671,194</u>	<u>312,803</u>
Opening shareholders funds	688,804	376,002
Closing shareholders funds	<u>1,359,998</u>	<u>688,805</u>

### 18. LEASING COMMITMENTS

Operating lease rentals in respect of land and buildings amounting to £421,250 (1998: £201,750) fall due within twelve months. The commitments to make these payments expire after more than five years.

## C-SIDE LIMITED

### NOTES TO THE ACCOUNTS - continued

#### 19. RELATED PARTY TRANSACTIONS

The directors of C-Side Limited are also directors and shareholders of the following companies, incorporated in England:

	<b>Cactus Canteen Limited</b>	<b>Squid and Starfish Limited</b>
<i>Interest in shares:</i>		
M. Webb	33%	33%
S. Kirby	33%	33%

During the year the company received management charges, net of VAT, as follows:

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Cactus Canteen Limited	34,278	26,603
Squid and Starfish Limited	<u>56,667</u>	<u>14,219</u>

The following balances were due to/(from) C-Side Limited at the year end date:

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Cactus Canteen Limited	23,595	17,727
Squid and Starfish Limited	<u>126,468</u>	<u>82,626</u>

On 30 June 2000, C-Side Limited acquired a 33% interest in the share capital of each of the above related companies, from a retiring director.



**C-SIDE LIMITED****NOTES TO THE ACCOUNTS - continued****20. GROSS CASH FLOWS**

	<u>1999</u> £	<u>1998</u> £
<b>Returns on investments and servicing of finance:</b>		
Interest received	19,429	11,423
Interest paid	(48,504)	(94,735)
Dividends paid	(308,000)	(220,000)
	<u>(337,075)</u>	<u>(303,312)</u>
 <b>Capital expenditure:</b>		
Payments to acquire tangible fixed assets	(377,759)	(469,533)
Receipts from sales of tangible fixed assets	117,617	237,599
Payment for goodwill	-	(250,000)
Loan repayments	(843,525)	(93,725)
Shares in investment	-	(29,538)
Contribution to fixed asset purchases	-	-
	<u>(1,103,667)</u>	<u>(605,197)</u>

**21. ANALYSIS OF CHANGES IN NET DEBT**

	<b>Cash flows</b>	<u>1999</u> £	<u>1998</u> £
Cash at bank and in hand	22,121	313,084	290,963
	<u>22,121</u>	<u>313,084</u>	<u>290,963</u>