

53

REGISTERED NUMBER: 2950398 (England and Wales)

Report of the Directors and  
Financial Statements for the Year Ended 31 December 2003  
for  
The Inn on The Green Limited



The Inn on The Green Limited

Contents of the Financial Statements  
for the Year Ended 31 December 2003

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	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Trading and Profit and Loss Account	12

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The Inn on The Green Limited

Company Information  
for the Year Ended 31 December 2003

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**DIRECTORS:**

Mr A.J. Taylor  
Mrs E Taylor  
Mr T Wilson

**SECRETARY:**

Ms S E A Standing

**REGISTERED OFFICE:**

Cookham Dean Common  
Cookham  
Maidenhead  
Berkshire  
SL6 9NZ

**REGISTERED NUMBER:**

2950398 (England and Wales)

**AUDITORS:**

Lerman & Co.  
Chartered accountants &  
Registered auditors  
Suite 5, Stanmore Towers  
8-14 Church Road  
Stanmore

**BANKERS:**

HSBC Republic Bank (UK) Limited  
31 Hill Street  
London  
W1J 5LS

The Inn on The Green Limited

Report of the Directors  
for the Year Ended 31 December 2003

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The directors present their report with the financial statements of the company for the year ended 31 December 2003.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of restaurateurs, hoteliers and publicans.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2003.

**DIRECTORS**

The directors during the year under review were:

Mr A.J. Taylor

Mrs E Taylor

Mr T Wilson

Mr J Drayton

Mr B Lynch

- resigned 30.11.03

- resigned 30.11.03

The directors holding office at 31 December 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 31 December 2003.

The beneficial interests of the directors in the share capital of the holding company are shown in the accounts of that company.

**STATEMENT OF 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

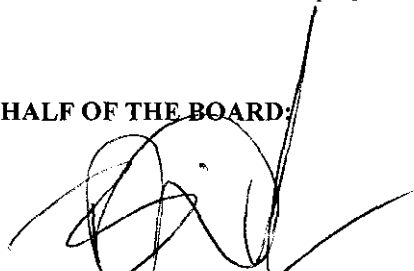
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

**AUDITORS**

The auditors, Lerman & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



Mr T Wilson - Director

Date: 29/10/04

Report of the Independent Auditors to the Shareholders of  
The Inn on The Green Limited

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We have audited the financial statements of The Inn on The Green Limited for the year ended 31 December 2003 on pages four to eleven. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Lerman & Co.  
Chartered accountants &  
Registered auditors  
Suite 5, Stanmore Towers  
8-14 Church Road  
Stanmore

Date: 29/10/04

The Inn on The Green Limited

Profit and Loss Account  
for the Year Ended 31 December 2003

	Notes	31.12.03 £	31.12.02 £
<b>TURNOVER</b>		524,492	770,023
Cost of sales		164,564	301,655
<b>GROSS PROFIT</b>		359,928	468,368
Administrative expenses		251,638	500,667
		108,290	(32,299)
Other operating income		-	8,000
<b>OPERATING PROFIT/(LOSS)</b>	3	108,290	(24,299)
Income from participating interests		11,176	1,593
		119,466	(22,706)
Interest payable and similar charges	4	41,263	8,505
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		78,203	(31,211)
Tax on profit/(loss) on ordinary activities	5	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		78,203	(31,211)
<b>RETAINED PROFIT/(DEFICIT) FOR THE YEAR</b>		78,203	(31,211)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

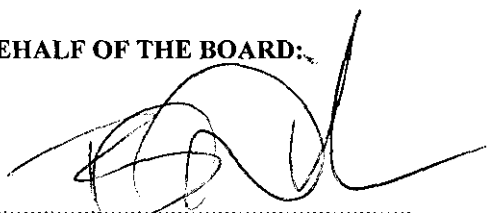
The Inn on The Green Limited

Balance Sheet

31 December 2003

		31.12.03		31.12.02	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	6		500		500
Tangible assets	7		1,430,528		1,494,305
Investments	8		60,000		60,000
			<u>1,491,028</u>		<u>1,554,805</u>
<b>CURRENT ASSETS</b>					
Stocks	9	14,537		12,314	
Debtors	10	284,480		136,886	
Cash at bank and in hand		11,107		16,401	
		<u>310,124</u>		<u>165,601</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	1,455,868		2,179,325	
<b>NET CURRENT LIABILITIES</b>					
			<u>(1,145,744)</u>		<u>(2,013,724)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			345,284		(458,919)
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		726,000		-
			<u>(380,716)</u>		<u>(458,919)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		750		750
Profit and loss account	17		(381,466)		(459,669)
<b>SHAREHOLDERS' FUNDS</b>					
	19		<u>(380,716)</u>		<u>(458,919)</u>

ON BEHALF OF THE BOARD:



Mr T Wilson - Director

Approved by the Board on

29/10/2004

The notes form part of these financial statements

1. **ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Short leasehold	- in accordance with the property
Improvements to property	- at varying rates on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- 25% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. **STAFF COSTS**

	31.12.03	31.12.02
	£	£
Wages and salaries	49,041	225,601
Social security costs	4,186	30,472
	<u>53,227</u>	<u>256,073</u>

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

	31.12.03	31.12.02
Management	3	4
Operations	6	22
	<u>9</u>	<u>26</u>



3. OPERATING PROFIT/(LOSS)

The operating profit (2002 - operating loss) is stated after charging:

	31.12.03	31.12.02
	£	£
Hire of plant and machinery	4,261	3,878
Other operating leases	46,104	47,797
Depreciation - owned assets	69,756	40,620
Depreciation - assets on hire purchase contracts	-	8,388
Profit on disposal of fixed assets	-	(410)
Auditors remuneration	414	4,696
	<u>          </u>	<u>          </u>
Directors' emoluments	-	-
	<u>          </u>	<u>          </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.03	31.12.02
	£	£
Bank interest	7,778	3,274
Bank loan interest	32,395	-
Interest on late paid tax	-	1,772
Hire purchase	1,090	3,459
	<u>          </u>	<u>          </u>
	<u>41,263</u>	<u>8,505</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2003 nor for the year ended 31 December 2002.

6. INTANGIBLE FIXED ASSETS

	Patents and licences £
<b>COST</b>	
At 1 January 2003	
and 31 December 2003	<u>500</u>
<b>NET BOOK VALUE</b>	
At 31 December 2003	<u>500</u>
At 31 December 2002	<u>500</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2003

7. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Improvements to property £	Plant and machinery £
<b>COST</b>				
At 1 January 2003	929,140	101,455	166,405	209,237
Additions	-	-	-	5,679
At 31 December 2003	929,140	101,455	166,405	214,916
<b>DEPRECIATION</b>				
At 1 January 2003	-	36,021	12,837	78,266
Charge for year	-	7,270	6,656	23,392
At 31 December 2003	-	43,291	19,493	101,658
<b>NET BOOK VALUE</b>				
At 31 December 2003	929,140	58,164	146,912	113,258
At 31 December 2002	929,140	65,434	153,568	130,971
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2003	211,829	3,469	56,103	1,677,638
Additions	300	-	-	5,979
At 31 December 2003	212,129	3,469	56,103	1,683,617
<b>DEPRECIATION</b>				
At 1 January 2003	36,146	3,469	16,594	183,333
Charge for year	23,680	-	8,758	69,756
At 31 December 2003	59,826	3,469	25,352	253,089
<b>NET BOOK VALUE</b>				
At 31 December 2003	152,303	-	30,751	1,430,528
At 31 December 2002	175,683	-	39,509	1,494,305

Included in land and buildings is freehold land valued at £845,497 (2002 - £845,497) which is not depreciated.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2003

<b>8. FIXED ASSET INVESTMENTS</b>		
		Unlisted investments £
<b>COST</b>		
At 1 January 2003		
and 31 December 2003		60,000
<b>NET BOOK VALUE</b>		
At 31 December 2003		60,000
At 31 December 2002		60,000
<b>9. STOCKS</b>		
	31.12.03	31.12.02
	£	£
Stocks	14,537	12,314
<b>10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	31.12.03	31.12.02
	£	£
Trade debtors	8,910	14,934
Loans	-	37,615
Amounts owed by group undertakings	266,297	61,929
Other debtors	161	2,015
Prepayments	9,112	20,393
	284,480	136,886
<b>11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	31.12.03	31.12.02
	£	£
Bank loans and overdrafts (see note 13)	189,621	58,799
Hire purchase contracts (see note 14)	-	1,221
Trade creditors	33,584	53,780
Amounts owed to group undertakings	1,180,425	1,991,461
Social security and other taxes	1,878	6,688
VAT	11,836	8,467
Other creditors	8,362	44,543
Accrued expenses	30,162	14,366
	1,455,868	2,179,325
<b>12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
	31.12.03	31.12.02
	£	£
Bank loans (see note 13)	726,000	-

13. LOANS

An analysis of the maturity of loans is given below:

	31.12.03 £	31.12.02 £
Amounts falling due within one year or on demand:		
Bank overdrafts	189,621	58,799
Amounts falling due between two and five years:		
Bank loans - 2-5 years	726,000	-

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.12.03 £	31.12.02 £
Net obligations repayable:		
Within one year	-	1,221

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.03 £	31.12.02 £
Bank overdraft	189,621	58,799
Bank loans	726,000	-
	915,621	58,799

16. CALLED UP SHARE CAPITAL

Authorised:			31.12.03	31.12.02
Number:	Class:	Nominal value:	£	£
10,000	Ordinary 'A' shares	10p	1,000	1,000
10,000	Ordinary 'B'shares	10p	1,000	1,000
			2,000	2,000
Allotted, issued and fully paid:			31.12.03	31.12.02
Number:	Class:	Nominal value:	£	£
5,000	Ordinary 'A' shares	10p	500	500
2,500	Ordinary 'B'shares	10p	250	250
			750	750

17. RESERVES

	Profit and loss account £
At 1 January 2003	(459,669)
Retained profit for the year	78,203
	<hr/>
At 31 December 2003	<u>(381,466)</u>

18. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Sphere Entertainment Limited. It has included the company in its group accounts, copies of which are available from its registered office: Sanctuary House, 45-53 Sinclair Road, London W14 0NS.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.03 £	31.12.02 £
Profit/(Loss) for the financial year	78,203	(31,211)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	78,203	(31,211)
Opening shareholders' funds	(458,919)	(427,708)
	<hr/>	<hr/>
Closing shareholders' funds	<u>(380,716)</u>	<u>(458,919)</u>
	<hr/>	<hr/>
Equity interests	<u>(380,716)</u>	<u>(458,919)</u>

20. GOING CONCERN

The company has prepared its accounts on the going concern basis. The company has the ongoing support of its holding company in this respect.