

Company Number: 3170764

The Shell Bay Cafe Limited
Financial Statements
for the year ended 31st March 2002



Chairman

N.A. Girkins

Registered Office

The Clock House
Frogmoor
High Wycombe
Bucks
HP13 5DL

Directors

N.A. Girkins
D.J. Mumford
J.L. Miller

Secretary

A. Lakhani

Auditors

Wilkins Kennedy
Risborough House
38-40 Sycamore Road
Amersham
Bucks
HP6 5DZ

Bankers

National Westminster Bank PLC
PO Box 542
44 Packhorse Road
Gerrards Cross
Buckinghamshire
SL9 8EA

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The directors submit their report together with the audited financial statements for the year ended 31st March 2002.

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 for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

Principal Activity

The principal activity of the company continued to be the operation of a restaurant, cafe and shop.

Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary 2002 No.	Preference 2002 No.	Ordinary 2001 No.
N.A. Girkins	-	70,000	-
D.J. Mumford	-	-	10
J.L. Miller	-	-	-

Their beneficial interests in the share capital of the holding company, The Shell Bay Holding Company Limited, were as follows:

	Ordinary shares of £1 each	
	2002 No.	2001 No.
N.A. Girkins	1	1

The Shell Bay Cafe Limited

Directors' Report

for the year ended 31st March 2002

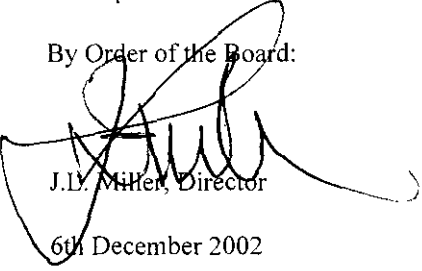
Auditors

The Auditors, Wilkins Kennedy Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

Exemption Statement

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

By Order of the Board:



J.L. Miller, Director

6th December 2002

Independent Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st March 2002

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

Basis of 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 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Wilkins Kennedy
Chartered Accountants
Registered Auditor

Risborough House
38-40 Sycamore Road
Amersham
Bucks
HP6 5DZ

6th December 2002

The Shell Bay Cafe Limited

Profit and Loss Account

for the year ended 31st March 2002

	Notes	2002 £	2001 £
Turnover	2	669,302	534,019
Cost of sales		(288,513)	(235,245)
Gross profit		380,789	298,774
Administrative expenses		(364,264)	(313,950)
Other operating income		10,000	3,000
Operating profit/(loss)	3	26,525	(12,176)
Interest receivable	4	868	1,040
Interest payable	5	(10,475)	(10,086)
Profit/(Loss) on ordinary activities before Taxation		16,918	(21,222)
Tax on profit/(loss) on ordinary activities		(87)	-
Profit/(Loss) on ordinary activities after Taxation		16,831	(21,222)
Retained loss brought forward		(160,965)	(139,743)
Retained (loss) carried forward		(144,134)	(160,965)

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

The Shell Bay Cafe Limited

Balance Sheet

as at 31st March 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Fixed Assets					
Tangible Fixed Assets	6		45,310		54,415
Current Assets					
Stock	7	9,155		6,059	
Debtors	8	40,604		18,725	
Cash at bank and in-hand		7,426		3,397	
		57,185		28,181	
Creditors:					
Amounts falling due within one year	9	(86,529)		(243,461)	
Net Current (Liabilities)			(29,344)		(215,280)
			15,966		(160,865)
Capital and Reserves					
Called up share capital	10		160,100		100
Profit and loss account			(144,134)		(160,965)
	11		15,966		(160,865)
Analysis of shareholders' funds					
Equity interests			(144,034)		(160,865)
Non-equity interests			160,000		-
			15,966		(160,865)

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and with the Financial Reporting Standards for Smaller Entities (effective June 2001).

These accounts were approved by the board on 6th December 2002.


J.L. Miller

Director

The notes on pages 6 to 10 form part of these financial statements.

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Going Concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The directors have projected information for the current financial year and consider that the continued support of the company's creditors and related companies will be a necessity.

The other creditors have pledged their continued support and believe that the related companies will continue their support. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of support by the related companies.

Cash Flow Statement

In the opinion of the directors the company qualifies as a small company and accordingly a cash flow statement is not required.

Turnover

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

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Leasehold property	Evenly over the lease term
Plant and machinery	25% straight line
Leasehold improvements	25% straight line
Office equipment, fixtures and fittings	25% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

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 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 Turnover

The turnover and operating profit/(loss) for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating Profit/(Loss)

The operating profit/(loss) is stated after charging or crediting:

	2002	2001
	£	£
Other operating lease rentals	9,122	8,729
Amounts payable to the auditors in respect of audit services	3,500	2,925
Depreciation - owned assets	23,029	24,256

4 Interest Receivable

Bank interest received

2002	2001
£	£
868	1,040

5 Interest Payable

Bank loans and overdrafts
Other interest

2002	2001
£	£
125	86
10,350	10,000
10,475	10,086

The Shell Bay Cafe Limited

Notes to the Financial Statements

for the year ended 31st March 2002

6 Tangible Fixed Assets

	Land and Buildings	Plant, Machinery and Other Assets	Total
	£	£	£
Cost			
At 1st April 2001	57,609	72,610	130,219
Additions	6,145	7,778	13,923
At 31st March 2002	63,754	80,388	144,142
Depreciation			
At 1st April 2001	18,623	57,180	75,803
Charge for the year	9,468	13,561	23,029
At 31st March 2002	28,091	70,741	98,832
Net Book Value			
At 31st March 2002	35,663	9,647	45,310
At 31st March 2001	38,986	15,430	54,416

7 Stocks	2002	2001
	£	£
Stocks	9,155	6,059

8 Debtors	2002	2001
	£	£
Trade debtors	-	801
Amounts owed by group undertakings and undertakings in which the company has a participating interest	35,169	14,554
Other debtors	5,435	3,370
	40,604	18,725

9 Creditors: Amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts - secured	22,282	20,950
Trade creditors	33,461	22,797
Amounts owed to group undertakings and undertakings in which the company has a participating interest	3,871	65,197
Other creditors	26,828	134,517
Corporation tax	87	-
	86,529	243,461

The Shell Bay Cafe Limited

Notes to the Financial Statements

for the year ended 31st March 2002

10 Share Capital

Authorised	2002	2001
	£	£
100 Ordinary shares of £1 each (2001: 100)	100	100
200,000 4% Cumulative preference shares (2001: Nil)	200,000	-
	<u>200,100</u>	<u>100</u>
Allotted and fully paid	2002	2001
	£	£
100 Ordinary shares of £1 each (2001: 100)	100	100
160,000 4% Cumulative preference shares (2001: Nil)	160,000	-
	<u>160,100</u>	<u>100</u>

Movements during the year

	4% cumulative preference shares of £1 each
At 1st April 2001	-
Issues during the year at par value	160,000
At 31st March 2002	<u>160,000</u>

11 Reconciliation of the Movement in Shareholders' Funds

	2002	2001
	£	£
Profit/(Loss) for the financial year	16,831	(21,222)
New share capital subscribed	160,000	-
Increase/(Decrease) in shareholders' funds	176,831	(21,222)
Opening shareholders' funds	(160,865)	(139,643)
Closing shareholders' funds	<u>15,966</u>	<u>(160,865)</u>

12 Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	2002	2001
	Land and buildings	Land and buildings
	£	£
Expiring:		
After five years	8,500	8,500

13 Related Party Transactions

Details of related party transactions occurring during the year are as follows:

Name of related party	Nature of Relationship	Transaction Details	Balance 2002 £	Balance 2001 £	Amount £
Related companies (aggregated)	Common Directors / Shareholders	Movement on loans by the company	35,169	14,554	20,615
Related companies (aggregated)	Common Directors / Shareholders	Movement on loans to the company	(3,871)	(65,197)	61,326
N.A. Girkins & Mrs C. Girkins	Director / Shareholder of holding company	Interest payable by the company		-	10,350
Related companies (aggregated)	Common Directors / Shareholders	Management fees paid by the company		-	7,900
Directors/shareholders (aggregated)	Directors / Shareholders	Movement on loans to the company	-	(109,621)	109,621

Related companies include the following companies:

Roxylight Limited

Roxylight Group Services Limited

The Shell Bay Holding Company Limited

The Shell Bay Marine Limited

Ultimate controlling party

The company was throughout the current and preceding year controlled by its holding company, The Shell Bay Holding Company Limited. The directors consider there is no ultimate controlling party.