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The Shell Bay Café Limited

Financial Statements

For the year ended 31st March 1999



Chairman

N.A. Girkins

Registered Office

The Clock House
Frogmoor
High Wycombe
Bucks
HP13 5DL

Directors

N.A. Girkins
D.J. Mumford
K.P. Foley

Secretary

K.P. Foley

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

Page No.

1 and 2	Directors' Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6 to 10	Notes to the Financial Statements

The Shell Bay Cafe Limited

Directors' Report

for the year ended 31st March 1999

The directors submit their report together with the audited financial statements for the year ended 31st March 1999.

Directors' Statement

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 loss 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 shares of £1 each	
	1999	1998
	No.	No.
N.A. Girkins	-	-
D.J. Mumford	10	10
K.P. Foley	-	-

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	
	1999	1998
	No.	No.
N.A. Girkins	1	1

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 relating to small companies.

By Order of the Board:

A handwritten signature in black ink, appearing to read 'K. Foley', with a large, sweeping loop at the end.

K.P. Foley, Secretary

10th January 2000

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st March 1999

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 page 6.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 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 1999 and of its loss 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

10th January 2000

The Shell Bay Cafe Limited

Profit and Loss Account

for the year ended 31st March 1999

	Notes	1999 £	1998 £
Turnover	2	281,082	376,941
Cost of sales		(129,667)	(169,978)
Gross profit		151,415	206,963
Administrative expenses		(181,809)	(201,589)
Other operating income	5	-	11,250
Operating (loss)/profit	3	(30,394)	16,624
Interest receivable	4	1,127	1,730
Interest payable	6	(10,010)	(10,012)
(Loss)/Profit on ordinary activities before Taxation		(39,277)	8,342
Retained loss brought forward		(59,989)	(68,331)
Retained (loss) carried forward		(99,266)	(59,989)

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 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed Assets					
Intangible Fixed Assets	7		35,000		40,000
Tangible Fixed Assets	8		51,584		52,025
			<u>86,584</u>		<u>92,025</u>
Current Assets					
Stock	9	6,955		5,495	
Debtors	10	13,157		26,429	
Cash at bank and in-hand		3,611		8,091	
		<u>23,723</u>		<u>40,015</u>	
Creditors:					
Amounts falling due within one year	11	<u>(209,473)</u>		<u>(191,929)</u>	
Net Current (Liabilities)			<u>(185,750)</u>		<u>(151,914)</u>
			<u>(99,166)</u>		<u>(59,889)</u>
Capital and Reserves					
Called up share capital	12		100		100
Profit and loss account			<u>(99,266)</u>		<u>(59,989)</u>
Equity Shareholders' Funds	13		<u>(99,166)</u>		<u>(59,889)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the board on 10th January 2000.



K.P. Foley

Director

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 directors and its related companies will be a necessity.

The directors pledge 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

Goodwill

The Company's policy is to write off goodwill evenly over its economic life of 10 years.

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.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

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 represents a constant proportion of the capital balance outstanding and 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 (loss)/profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating (Loss)/Profit

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

	1999	1998
	£	£
Other operating lease rentals	8,644	8,644
Amounts payable to the auditors in respect of audit services	2,600	3,200
Depreciation - owned assets	19,200	17,219
	<u>19,200</u>	<u>17,219</u>

4 Interest Receivable

	1999	1998
	£	£
Bank interest received	1,127	1,730
	<u>1,127</u>	<u>1,730</u>

5 Other Operating Income

	1999	1998
	£	£
Management fees received	-	11,250
	<u>-</u>	<u>11,250</u>

6 Interest Payable

	1999	1998
	£	£
Bank loans and overdrafts	10	12
Other interest	10,000	10,000
	<u>10,010</u>	<u>10,012</u>

The Shell Bay Cafe Limited
Notes to the Financial Statements
for the year ended 31st March 1999

7 Intangible Fixed Assets

	Goodwill
	£
Cost	
At 1st April 1998	50,000
At 31st March 1999	<u>50,000</u>
Amortisation	
At 1st April 1998	10,000
Charge for the year	5,000
At 31st March 1999	<u>15,000</u>
Net Book Value	
At 31st March 1999	<u>35,000</u>
At 31st March 1998	<u>40,000</u>

8 Tangible Fixed Assets

	Land and Buildings	Plant, Machinery and Other Assets	Total
	£	£	£
Cost			
At 1st April 1998	32,862	39,338	72,200
Additions	-	13,759	13,759
At 31st March 1999	<u>32,862</u>	<u>53,097</u>	<u>85,959</u>
Depreciation			
At 1st April 1998	5,048	15,127	20,175
Charge for the year	2,651	11,549	14,200
At 31st March 1999	<u>7,699</u>	<u>26,676</u>	<u>34,375</u>
Net Book Value			
At 31st March 1999	<u>25,163</u>	<u>26,421</u>	<u>51,584</u>
At 31st March 1998	<u>27,814</u>	<u>24,211</u>	<u>52,025</u>

9 Stocks

	1999	1998
	£	£
Stocks	<u>6,955</u>	<u>5,495</u>

The Shell Bay Cafe Limited

Notes to the Financial Statements

for the year ended 31st March 1999

10	Debtors	1999	1998
		£	£
	Trade debtors	1,434	-
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,018	26,329
	Other debtors	7,705	100
		<u>13,157</u>	<u>26,429</u>
11	Creditors: Amounts falling due within one year	1999	1998
		£	£
	Bank loans and overdrafts	981	-
	Trade creditors	16,301	13,252
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	68,755	62,540
	Other creditors	123,436	116,137
		<u>209,473</u>	<u>191,929</u>
12	Share Capital		
	Authorised	1999	1998
		£	£
	100 Ordinary shares of £1 each (1998: 100)	100	100
	Allotted and fully paid	1999	1998
		£	£
	100 Ordinary shares of £1 each (1998: 100)	100	100
13	Reconciliation of the Movement in Shareholders' Funds	1999	1998
		£	£
	(Loss)/Profit for the financial year	(39,277)	8,342
	(Decrease)/Increase in shareholders' funds	(39,277)	8,342
	Opening shareholders' funds	(59,889)	(68,231)
	Closing shareholders' funds	<u>(99,166)</u>	<u>(59,889)</u>

The Shell Bay Cafe Limited

Notes to the Financial Statements

for the year ended 31st March 1999

14 Operating lease commitments

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

	1999 Land and buildings £	1998 Land and buildings £
Expiring:		
Within one year	-	-
Within two to five years	-	-
After five years	8,500	8,500
	<u>8,500</u>	<u>8,500</u>

15 Related Party Transactions

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

Name of related party	Nature of Relationship	Transaction Details	Amount £	Balance £	Amounts Written Off £
Amounts owed to/by related companies (aggregated)	Common Directors / Shareholders	Movement on loans to/by the company	(28,526)	(64,737)	-
Roxylight Limited	Common Directors / Shareholders	Management fees paid by the company	7,400	-	-
Amounts owed to directors (aggregated)	Directors / Shareholders	Movement on loan to the company	(1,316)	(94,967)	-

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.