

THE SHELL BAY CAFE LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003



THE SHELL BAY CAFE LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7
Trading and Profit and Loss Account	11

THE SHELL BAY CAFE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2003

DIRECTORS:	N A Girkins J L Miller
SECRETARY:	A Lakhani
REGISTERED OFFICE:	The Clock House Frogmoor High Wycombe Buckinghamshire HP13 5DL
REGISTERED NUMBER:	3170764
AUDITORS:	Wilkins Kennedy Chartered Accountants Registered Auditors Risborough House 38-40 Sycamore Road Amersham Buckinghamshire HP6 5DZ
BANKERS:	Natwest Bank PLC PO Box 452 44 Packhorse Road Gerrards Cross Buckinghamshire SL9 8EA

THE SHELL BAY CAFE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2003

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation of a restaurant, cafe and shop.

DIRECTORS

The directors during the year under review were:

N A Girkins	
D J Mumford	- resigned 31.12.2002
J L Miller	

The beneficial interests of the directors holding office on 31 March 2003 in the issued share capital of the company were as follows:

	31.3.03	1.4.02
Ordinary £1 shares		
N A Girkins	-	-
J L Miller	-	-
4% Cumulative preference £1 shares		

N A Girkins	70,000	70,000
J L Miller	-	-

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

	31.3.03	1.4.02
Ordinary £1 shares		
N A Girkins	1	1

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;
- 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 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.

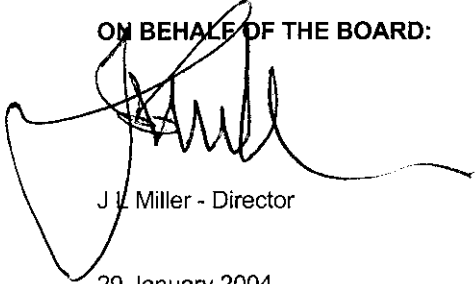
AUDITORS

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

THE SHELL BAY CAFE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2003

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J. L. Miller', is written over the text 'ON BEHALF OF THE BOARD:'. The signature is stylized with a large loop at the beginning and a long horizontal stroke at the end.

J. L. Miller - Director

29 January 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
THE SHELL BAY CAFE LIMITED**

We have audited the financial statements of The Shell Bay Cafe Limited for the year ended 31 March 2003 on pages five to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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

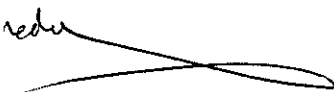
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wilkins Kennedy



Wilkins Kennedy
Chartered Accountants
Registered Auditors
Risborough House
38-40 Sycamore Road
Amersham
Buckinghamshire
HP6 5DZ

29 January 2004

THE SHELL BAY CAFE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
TURNOVER		650,597	669,302
Cost of sales		<u>(238,041)</u>	<u>(288,513)</u>
GROSS PROFIT		412,556	380,789
Administrative expenses		<u>(342,852)</u>	<u>(364,264)</u>
		69,704	16,525
Other operating income		<u>(10,000)</u>	<u>10,000</u>
OPERATING PROFIT	2	59,704	26,525
Interest receivable and similar income		<u>644</u>	<u>868</u>
		60,348	27,393
Interest payable and similar charges		<u>(9,130)</u>	<u>(10,475)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		51,218	16,918
Tax on profit on ordinary activities	3	<u>1,488</u>	<u>(87)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		52,706	16,831
RETAINED PROFIT FOR THE YEAR		<u>52,706</u>	<u>16,831</u>

The notes form part of these financial statements

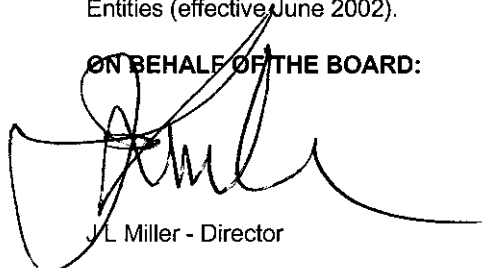
THE SHELL BAY CAFE LIMITED

BALANCE SHEET
31 MARCH 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	5	37,500	45,310
CURRENT ASSETS			
Stocks		8,535	9,155
Debtors	6	89,216	40,604
Cash at bank and in hand		39,068	7,426
		<u>136,819</u>	<u>57,185</u>
CREDITORS			
Amounts falling due within one year	7	(105,647)	(86,529)
NET CURRENT ASSETS/(LIABILITIES)		<u>31,172</u>	<u>(29,344)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>68,672</u>	<u>15,966</u>
CAPITAL AND RESERVES			
Called up share capital	9	160,100	160,100
Profit and loss account	10	(91,428)	(144,134)
SHAREHOLDERS' FUNDS		<u>68,672</u>	<u>15,966</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



J.L. Miller - Director

Approved by the Board on 29 January 2004

The notes form part of these financial statements

THE SHELL BAY CAFE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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.

Leasehold property and improvements	- 10% on cost and straight line over the life of the lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Office equipment	- 25% on cost

Stocks

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

Deferred tax

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

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. OPERATING PROFIT

The operating profit is stated after charging:

	2003	2002
	£	£
Depreciation - owned assets	10,532	23,029
Amounts payable to the auditors in respect of audit services	3,850	3,500
Amounts payable to the auditor in respect of non-audit services	1,050	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

THE SHELL BAY CAFE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

3. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
UK corporation tax	144	87
Deferred taxation	(1,632)	-
Tax on profit on ordinary activities	<u>(1,488)</u>	<u>87</u>

4. INTANGIBLE FIXED ASSETS

COST:

At 1 April 2002
and 31 March 2003

**Goodwill
£**

50,000

AMORTISATION:

At 1 April 2002
and 31 March 2003

50,000

NET BOOK VALUE:

At 31 March 2003

-

At 31 March 2002

-

5. TANGIBLE FIXED ASSETS

	Leasehold property and improvements £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Totals £
COST:					
At 1 April 2002	63,754	43,227	22,976	14,185	144,142
Additions	4,995	7,577	4,723	576	17,871
Disposals	(31,800)	-	-	-	(31,800)
At 31 March 2003	<u>36,949</u>	<u>50,804</u>	<u>27,699</u>	<u>14,761</u>	<u>130,213</u>
DEPRECIATION:					
At 1 April 2002	28,091	39,156	22,616	8,968	98,831
Charge for year	5,471	1,679	827	2,555	10,532
Eliminated on disposal	(16,650)	-	-	-	(16,650)
At 31 March 2003	<u>16,912</u>	<u>40,835</u>	<u>23,443</u>	<u>11,523</u>	<u>92,713</u>
NET BOOK VALUE:					
At 31 March 2003	<u>20,037</u>	<u>9,969</u>	<u>4,256</u>	<u>3,238</u>	<u>37,500</u>
At 31 March 2002	<u>35,663</u>	<u>4,071</u>	<u>360</u>	<u>5,217</u>	<u>45,311</u>

THE SHELL BAY CAFE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade debtors	1,981	-
Amounts owed by group undertakings	78,980	35,169
Other debtors	8,255	5,435
	<u>89,216</u>	<u>40,604</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank loans and overdrafts	-	22,282
Trade creditors	47,905	33,461
Amounts owed to group undertakings	9,188	3,871
Taxation and social security	3,528	4,071
Other creditors	45,026	22,844
	<u>105,647</u>	<u>86,529</u>

8. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2003	2002
	£	£
Expiring:		
In more than five years	-	8,500
	<u>-</u>	<u>8,500</u>

9. CALLED UP SHARE CAPITAL

Authorised:			2003	2002
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	100	100
200,000	4% Cumulative preference	£1	200,000	200,000
			<u>200,100</u>	<u>200,100</u>

Allotted, issued and fully paid:			2003	2002
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	100	100
160,000	4% Cumulative preference	£1	160,000	160,000
			<u>160,100</u>	<u>160,100</u>

THE SHELL BAY CAFE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

10. RESERVES

	Profit and loss account £
At 1 April 2002	(144,134)
Retained profit for the year	52,706
At 31 March 2003	<u>(91,428)</u>

11. RELATED PARTY DISCLOSURES

Loans by the company to related companies (aggregated), companies with common directors and shareholders - £78,980 (2002 : £35,169). Movement during the year - £43,811.

Loans to the company by related companies (aggregated), companies with common directors and shareholders - £9,188 (2002 : £3,871). Movement during the year - £5,317.

Loan to the company by N A Girkins, a director and shareholder of the company - £5,491 (2002 : £Nil). Movement during the year - £5,491.

Interest payable by the company to N A Girkins, a director and shareholder of the company - £9,021. (2002 : £10,350).

Management fees paid by the company to related companies (aggregated) companies with common directors and shareholders - £7,200. (2002 : £7,900).

The lease held by the company at the beginning of the year was transferred to the holding company, The Shell Bay Holding Company, during the year at net book value - £15,150.

Sales to N A Girkins, a director and shareholder of the company - £617 (2002 : £Nil).

Related companies (aggregated) include:-

Roxylight Limited
Roxylight Group Services Limited
The Shell Bay Holding Company Limited
The Shell Bay Marine Limited

12. 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 that there is no ultimate controlling party.