

Tate Gallery Restaurant Limited

Directors' report and financial statements

31 March 1998

Registered number 3173975



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1998.

Principal activities

The company's activities cover the operation of the Cafe and Restaurant at Tate Gallery Millbank, and the provision of catering services for events and other Gallery activities.

Business review

Tate Gallery Restaurant Limited comprises the catering operations of the Tate Gallery in London.

The 1997/98 financial year was the second full year of operation for the company, whose activities prior to 1 April 1996 were undertaken by Tate Enterprises Trust, an unincorporated charitable trust whose ultimate parent was also the Board of Trustees of the Tate Gallery.

During the year substantial increases were achieved in terms of turnover and profitability. Operating profit increased by 47% year on year to £259,214. This arises both from increased visitor numbers at Millbank and continuing improvements in the company's operations.

Results and dividends

The trading results and the financial position of the company are shown in the annexed financial statements.

The directors do not recommend the payment of a dividend (1997: *£nil*).

Directors and directors' interests

The directors of the company who served in the year are:

JF de Botton (Chairman)
N Stanley
AR Nairne
HD Stevenson
NA Serota
AC Beard

None of the directors had any disclosable interest in the share capital of the company or of any other group company.

Year 2000

In common with other users of computers, the Tate is investigating if and to what extent the date change from 1999 to 2000 may affect its networks and systems. No modification costs have been incurred.

Directors' report

Political and charitable donations

The company did not make any political donations during the year. Charitable donations during the year were £230 (1997: *£nil*).

Covenant payments amounting to £401,490 (1997: £300,000) have been made to the Trustees of the Tate Gallery.

By order of the board



AC Beard
Director

15 July 1998

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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Auditors' report to the members of Tate Gallery Restaurant Limited

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of directors and auditors

As described on page 3 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 31 March 1998 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

15 July 1998

Profit and loss account

for the year ended 31 March 1998

	<i>Note</i>	1998 £	1997 £
Turnover	2	2,214,145	1,819,863
Cost of sales		(1,375,443)	(1,208,330)
Gross profit		838,702	611,533
Administrative expenses		(579,488)	(435,136)
Operating profit	3-5	259,214	176,397
Interest receivable and similar income	6	24,454	12,302
Contribution to the Trustees of the Tate Gallery	7	(401,490)	(300,000)
Loss on ordinary activities before and after taxation and accumulated for the year	8	(117,822)	(111,301)
Accumulated loss brought forward		591,256	702,557
Accumulated loss carried forward		473,434	591,256

The company has no recognised gains or losses other than the retained profit for the year.

The results for the year were derived solely from continuing operations.

Balance sheet

at 31 March 1998

	Note	1998	1997
		£	£
Fixed assets			
Tangible assets	9	450,105	488,897
Current assets			
Stocks	10	149,379	172,771
Debtors	11	56,797	38,680
Cash at bank and in hand		213,700	132,347
		<u>419,876</u>	<u>343,798</u>
Creditors: amounts falling due within one year	12	(396,447)	(241,339)
Net current assets		<u>23,429</u>	<u>102,459</u>
Total assets less current liabilities		<u>473,534</u>	<u>591,356</u>
Capital and reserves			
Share capital	13	100	100
Profit and loss account		473,434	591,256
Equity shareholders' funds	14	<u>473,534</u>	<u>591,356</u>

These financial statements were approved by the board of directors on 15 July 1998 and were signed on its behalf by:



AC Beard
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises income from the restaurant and coffee shop net of Value Added Tax. Income is generated from the sale of meals and ancillary services provided in the year.

Tangible fixed assets

For all tangible fixed assets depreciation is provided to write down the cost of these assets over their estimated useful lives as follows:

Equipment, fixtures and fittings	-	20% pa reducing balance
Coffee shop and restaurant improvements	-	20% pa reducing balance

Stocks

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

Pension scheme

The company operates a money purchase pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Cash flow statements

The company is exempt under section 5(a) of Financial Reporting Standard 1 (Revised 1996) from the requirement to prepare a cash flow statement. Its cash flows are included in the consolidated cash flow statement in the financial statements of Tate Gallery Publishing Limited.

Related party transactions

The company is a wholly owned subsidiary of The Trustees of the Tate Gallery. Consequently it has taken advantage of the exemption granted by Financial Reporting Standard 8: Related Party Disclosures and has not disclosed transactions with entities that are part of The Trustees of the Tate Gallery group.

Notes (continued)

2 Turnover

	1998 £	1997 £
<i>Turnover for the year arose as follows:</i>		
Restaurant	731,418	656,254
Coffee shop	1,408,163	1,141,364
Functions	74,564	22,245
	<u>2,214,145</u>	<u>1,819,863</u>

Included within Restaurant turnover of £731,418 (1997: £656,254) are external wine sales of £10,767 (1997: £57,951). All turnover relates to sales within the United Kingdom.

3 Profit on ordinary activities before taxation

	1998 £	1997 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Audit fees	3,750	6,000
Depreciation of tangible fixed assets	93,160	117,374
	<u>96,910</u>	<u>123,374</u>

4 Staff numbers and costs

The average number of persons employed by the company during the year was 62 (1997: 50).

The aggregate payroll costs of these persons were as follows:

	1998 £	1997 £
Wages and salaries	707,315	547,470
Social security costs	50,519	47,546
Other pension costs	7,068	8,117
	<u>764,902</u>	<u>603,133</u>

5 Remuneration of directors

	1998 £	1997 £
Aggregate emoluments	<u>45,000</u>	<u>15,000</u>

Notes (continued)

6 Interest receivable and similar income

	1998 £	1997 £
Interest	17,945	12,302
Insurance proceeds received	6,509	-
	<u>24,454</u>	<u>12,302</u>

7 Contributions to the Trustees of the Tate Gallery

During the year the company made cash donations under a Deed of Covenant to the Trustees of the Tate Gallery amounting to £401,490 (1997: £300,000) inclusive of income tax of £92,343 (1997: £72,000), which the Trustees of the Tate Gallery can reclaim.

8 Taxation

The corporation tax charge for the year at 31% is £nil (1997: £nil), based on the fact that taxable profits have been covenanted to the Tate Gallery.

9 Tangible fixed assets

	Restaurant improvements £	Coffee shop improvements £	Equipment, fixtures & fittings £	Total £
Cost				
At 1 April 1997	218,763	522,283	227,646	968,692
Additions	5,494	5,770	43,104	54,368
	<u>224,257</u>	<u>528,053</u>	<u>270,750</u>	<u>1,023,060</u>
At 31 March 1998	224,257	528,053	270,750	1,023,060
Depreciation				
At 1 April 1997	205,228	109,110	165,457	479,795
Charge for the year	965	76,146	16,049	93,160
	<u>206,193</u>	<u>185,256</u>	<u>181,506</u>	<u>572,955</u>
At 31 March 1998	206,193	185,256	181,506	572,955
Net book value				
At 31 March 1998	<u>18,064</u>	<u>342,797</u>	<u>89,244</u>	<u>450,105</u>
At 31 March 1997	<u>13,535</u>	<u>413,173</u>	<u>62,189</u>	<u>488,897</u>

Notes (continued)

10 Stocks

	1998 £	1997 £
Finished goods and goods for resale	149,379	172,771
	<u>149,379</u>	<u>172,771</u>

The stock held at the year end consisted mainly of wines and spirits held for resale.

11 Debtors

	1998 £	1997 £
Trade debtors	7,307	1,688
Amounts owed by group undertakings	42,925	25,847
Other debtors	-	10,305
Prepayments and accrued income	6,565	840
	<u>56,797</u>	<u>38,680</u>
	<u>56,797</u>	<u>38,680</u>

12 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	174,127	69,011
Taxation and social security	186,598	141,413
Accruals and deferred income	35,722	30,915
	<u>396,447</u>	<u>241,339</u>
	<u>396,447</u>	<u>241,339</u>

Notes (continued)

13 Called up share capital

	1998	1997
	£	£
<i>Authorised, allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

14 Reconciliation of movements in equity shareholders' funds

	£
Opening equity shareholders' funds	591,356
Loss for the financial year	(117,822)
	<u>473,534</u>
Closing equity shareholders' funds	<u>473,534</u>

15 Pension costs

Tate Gallery Restaurant Limited operates a money purchase pension scheme. The assets of the scheme are held separately from those of Tate Gallery Restaurant Limited in an independently administered fund. The pension cost charge represents contributions payable by Tate Gallery Restaurant Limited to the fund and amounted to £7,068 (1997: £8,117). No contributions were payable to the fund at the year end.

16 Ultimate parent company

The company is a subsidiary undertaking of Tate Gallery Publishing Limited, a company incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by The Trustees of the Tate Gallery (ultimate parent and controlling party), which prepares accounts in accordance with the Museums and Galleries Act 1992. The financial statements of The Trustees of the Tate Gallery can be obtained from Her Majesty's Stationery Office at Stationery Office Books, St Crispins, Duke Street, Norwich NR3 1PD.

The smallest group in which the results of the company are consolidated is that headed by Tate Gallery Publishing Limited. The financial statements of Tate Gallery Publishing Limited are available from Companies House.

Notes (*continued*)

17 Related party transactions

As a greater than 90% subsidiary of Tate Gallery Publishing Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8, not to provide information on related party transactions with other undertakings in the Tate Group. Note 16 gives details of how to obtain a copy of the financial statements of Tate Gallery Publishing Limited.