

ALPHASYMBOL LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

31 DECEMBER 1988

BAKER TILLY  
Chartered Accountants  
Norfolk House  
187 High Street  
Guildford  
Surrey GU1 3AS

DIRECTORS' REPORT

The Directors present their report and the accounts of the company for the year ended 31 December 1988.

ACTIVITIES

The principal activity of the company during the year was that of a hotelier.

REVIEW OF THE BUSINESS

The hotel has traded successfully during the year.

The company sold its freehold property on the 16 June 1989 for £11,950,000. Also sold was the following

	£
Fixtures and fittings	900,000
25% of the book debts	31,250
Stock in trade	20,000
	<u>951,250</u>

DIRECTORS

The following have been directors of the company during the year.

Mr C.H. Thacker  
Mrs R. Festing

The director retiring by rotation is Mr C.H. Thacker, who is eligible for re-election.

The interests of the directors in the shares of the company were:

	<u>As at 31 December 1988</u>	<u>As at 31 December 1987</u>
	<u>Ordinary</u>	<u>Ordinary</u>
Mr C.H. Thacker	50,000 'A'	50,000 'A'
Mrs R. Festing	50,000 'B'	50,000 'B'

Other than stated above, the directors had no interest in the shares of the company.

RESULTS

The results for the period are set out in detail on page 4.

The directors do not recommend the payment of a dividend.

FIXED ASSETS

The changes in the fixed assets during the year are shown in note 5 to the accounts.

The directors are of the opinion that the market value of the freehold premises is in the excess of £12.5 Million.

No depreciation has been provided on freehold land and buildings as in the opinion of the directors, any amount which might be required to depreciate the buildings element is offset by the substantial refurbishment which is perpetually carried out.

ALPHASYMBOL LIMITED

DIRECTORS' REPORT  
(Continued)

AUDITORS

The company's auditors, Baker Tilly & Co., Chartered Accountants, have signified their willingness to be re-appointed and a resolution to this effect will be proposed at the Annual General Meeting.

By Order of the Board

Secretary

*Mark GONFEL*

Norfolk House,  
187 High Street,  
Guildford,  
Surrey,  
GU1 3AS.

23 June 1989

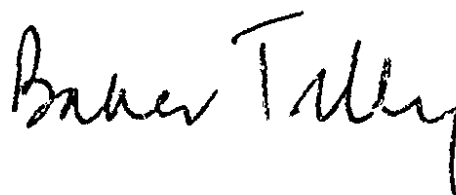
REPORT OF THE AUDITORS TO THE MEMBERS OF

ALPHASYMBOL LIMITED

We have audited the financial statements on pages 4 to 11. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors who are the major shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31 December 1988 and of its loss and source and application of funds for the year then ended and comply with the Companies Act 1985.



BAKER TILLY  
Chartered Accountants

Norfolk House,  
187 High Street,  
GUILDFORD,  
Surrey GU1 3AS.

23 June 1989

ALPHASYMBOL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1988

	<u>Note</u>	<u>1988</u> £	<u>1987</u> £
TURNOVER	1b&2	1,405,270	1,475,623
Cost of Sales		<u>217,654</u>	<u>234,246</u>
GROSS PROFIT		1,187,616	1,241,377
Administrative expenses		<u>915,505</u>	<u>932,525</u>
OPERATING PROFIT		272,111	308,852
Interest payable and similar charges	3b	<u>287,099</u>	<u>324,095</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2&3	(14,988)	(15,243)
Tax on profit on ordinary activities		-	-
RETAINED LOSS FOR THE YEAR		<u>£ (14,988)</u>	<u>£ (15,243)</u>

The notes on pages 7 to 11 form part of these accounts.



ALPHASYMBOL LIMITED

SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 DECEMBER 1988

		<u>1988</u>		<u>1987</u>	
	£		£		£
<b>SOURCE OF FUNDS</b>					
Loss on ordinary activities before taxation		(14,988)		(15,243)	
Adjustment for items not involving the movement of funds					
Depreciation		189,204		181,250	
Total generated/absorbed from operations		<u>174,216</u>		<u>166,007</u>	
<b>APPLICATION OF FUNDS</b>					
Purchase of tangible fixed assets		49,594		12,319	
		<u>£124,622</u>		<u>£(153,688)</u>	
<b>APPLIED TO INCREASE/(DECREASE) IN WORKING CAPITAL</b>					
Stock		3,743		(3,060)	
Debtors		56,363		11,569	
Creditors		(22,105)		2,805	
		<u>38,001</u>		<u>11,314</u>	
<b>Movement in net liquid funds:</b>					
Bank and cash balances		1,454		871	
Bank overdraft		<u>85,167</u>		<u>141,503</u>	
		<u>86,621</u>		<u>142,374</u>	
	£	<u>124,622</u>		<u>£153,688</u>	

31 DECEMBER 1988

1. ACCOUNTING POLICIES

a) CONVENTION

The accounts have been prepared under the historical cost convention.

b) TURNOVER

This is stated as net invoiced value of services supplied to customers within the company's ordinary activities after deduction of trade discounts and value added tax.

c) DEPRECIATION

Tangible fixed assets are written off over the period of their expected useful lives on a straight line basis, from the date they are brought into use, as follows:

Plant and machinery	-	5 years
Fixtures, fittings, furniture and equipment	-	5 years
Motor vehicles	-	4 years

No depreciation has been provided on freehold land and buildings as in the opinion of the Directors' any amount which might be required to depreciate the buildings element is offset by the substantial refurbishment which is being perpetually carried out.

d) STOCK

Stocks of food and drink are valued by the Directors at the lower of cost or net realisable value.

e) DEFERRED TAXATION

Provision for deferred taxation is made at the current rate of tax to the extent that there is a reasonable probability that such tax will become payable in the future. Short term timing differences are provided in full and recoverable advanced corporation tax is deducted.

No provision has been made for taxation arising in respect of the sale of the freehold after the year end.

2. ANALYSIS OF TURNOVER AND LOSS

The turnover and loss before taxation is attributable to one activity and all arises within the United Kingdom.



ALPHASYMBOL LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1988

3. LOSS ON ORDINARY ACTIVITIES

a) Loss is stated after charging:

	<u>1988</u> £	<u>1987</u> £
Depreciation	189,204	181,250
Hire of plant and machinery	11,098	10,981
Auditors' remuneration	4,400	2,000
	<u>          </u>	<u>          </u>

b) Interest payable on bank loans, overdrafts,  
hire purchase and other loans:

Repayable wholly within five years	<u>272,405</u>	<u>306,531</u>
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4. EMPLOYEES

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

	<u>Number</u>	<u>Number</u>
Administration and Maintenance	<u>47</u>	<u>50</u>

Staff costs during the year amounted to:

	<u>1988</u> £	<u>1987</u> £
Wages and salaries	412,788	423,020
Social security costs	38,093	36,622
Pension	8,470	8,067
	<u>£459,351</u>	<u>£467,709</u>

Directors' remuneration consisted of:

Other emoluments (including pension contributions)	<u>£ 54,257</u>	<u>£ 29,117</u>
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ALPHASYMBOL LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1988

5. FIXED ASSETS

	<u>Freehold Property</u> £	<u>Improve- ments to Property</u> £	<u>Motor Vehicle</u> £	<u>Plant and Machinery</u> £	<u>Fixtures Fittings Furniture and Equipment</u> £	<u>Total</u> £
<b>COST</b>						
At 1 January 1988	2,249,445	757,089	24,382	148,524	729,196	3,908,636
Additions	-	11,766	-	3,944	33,884	49,594
At 31 December 1988	<u>2,249,445</u>	<u>768,855</u>	<u>24,382</u>	<u>152,468</u>	<u>763,080</u>	<u>3,958,230</u>
<b>DEPRECIATION</b>						
At 1 January 1988	-	-	8,635	58,632	289,809	351,076
Charge for year	-	-	6,095	30,493	152,616	189,204
At 31 December 1988	<u>-</u>	<u>-</u>	<u>14,730</u>	<u>89,125</u>	<u>442,425</u>	<u>546,280</u>
<b>NET BOOK VALUE</b>						
At 31 December 1988	<u>£2,249,445</u>	<u>£768,855</u>	<u>£ 9,652</u>	<u>£ 63,343</u>	<u>£320,655</u>	<u>£3,411,950</u>

The Directors are of the opinion that the market value of the freehold premises is in excess of £12.5 Million.

6. DEBTORS

	<u>1988</u> £	<u>1987</u> £
Trade debtors	168,750	101,211
Other debtors	763	-
Prepayments and accrued income	16,578	28,517
	<u>£186,091</u>	<u>£129,728</u>

7. BANK LOANS AND OVERDRAFTS

The Company's bank loan and overdraft totalling £2,349,093 (1987:£2,434,260) is secured by a debenture giving the company's bankers a first fixed charge over the company's tangible fixed assets and book debts and a first floating charge over all other assets.

ALPHASYMEOL LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1988

8. TRADE AND OTHER CREDITORS

	<u>1988</u>	<u>1987</u>
	£	£
Trade creditors	151,766	148,985
Social security and employees' tax deductions	55,680	42,996
Other creditors	86,492	50,976
Accruals	75,733	87,809
	<u>£369,671</u>	<u>£330,766</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

These comprise:

	<u>1988</u>	<u>1987</u>
	£	£
Amounts repayable after five years		
Directors' loans	£1,607,269	£1,624,069
	<u>£1,607,269</u>	<u>£1,624,069</u>

10. DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential liability is:

	Provision		Potential Liability	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	£	£	£	£
Accelerated capital allowances	-	-	116,879	145,029
Unrelieved tax losses	-	-	(116,879)	(145,029)
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

No provision has been made for taxation arising in respect of the sale of the freehold after the year end.

11. SHARE CAPITAL

	£	£
Authorised:		
50,000 Ordinary 'A' shares of £1 each	50,000	50,000
50,000 Ordinary 'B' shares of £1 each	50,000	50,000
	<u>£100,000</u>	<u>£100,000</u>
Allotted and fully paid		
50,000 Ordinary 'A' shares of £1 each	50,000	50,000
50,000 Ordinary 'B' shares of £1 each	50,000	50,000
	<u>£100,000</u>	<u>£100,000</u>

ALPHASYMBOL LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1988

12. RESERVES

	<u>Balance at 1 January 1988</u> £	<u>Addition during Year</u> £	<u>Utilised during Year</u> £	<u>Balance at 31 December 1988</u> £
Profit and loss account	£(802,006)	£(14,988)	-	£(816,994)

13. POST BALANCE SHEET EVENTS

On the 16 June 1989 the company sold its freehold property, the Alpha Royale Hotel, for £11,950,000. Also sold was the following

	£
Fixtures and fittings	900,000
25% of the book debts	31,250
Stock in trade	20,000
	<u>1,951,250</u>