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ALPHASYMBOL LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

31 DECEMBER 1987

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21 JUL 1989  
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HOWARD TILLY & CO.  
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 1987.

ACTIVITIES

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

REVIEW OF THE BUSINESS

Now that the majority of the renovation work on the hotel has been completed and therefore more rooms are available for letting, the turnover has increased with a resultant improvement in the results of the year. It is expected that the hotel will make considerable profits in future years.

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 Mrs R. Festing, who is eligible for re-election.

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

	<u>As at 31 December 1987</u>	<u>As at 31 December 1986</u>
	<u>Ordinary</u>	<u>Ordinary</u>
Mr C.H. Thacker	50,000	50,000
Mrs R. Festing	50,000	50,000

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, Howard 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 Gower*

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

25 June 1988

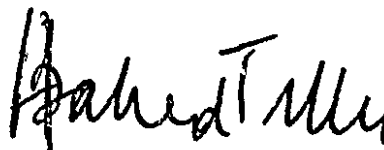
REPORT OF THE AUDITORS TO THE MEMBERS OF

ALPHASYMBOL LIMITED

We have audited the financial statements on pages 4 to 10. 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 1987 and of its loss and source and application of funds for the year then ended and comply with the Companies Act 1985.



HOWARD TILLY & CO.  
Chartered Accountants

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

25 June 1988

ALPHASYMBOL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1987

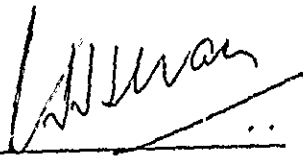
	<u>Note</u>	<u>1987</u> £	<u>21 Months to</u> <u>31 December 1986</u> £
TURNOVER	1b&2	1,475,623	954,134
Cost of Sales		<u>234,246</u>	<u>131,992</u>
GROSS PROFIT		1,241,377	822,142
Administrative expenses		<u>932,525</u>	<u>1,131,263</u>
OPERATING PROFIT/(LOSS)		308,852	(309,121)
Interest payable and similar charges	3b	<u>324,095</u>	<u>477,642</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2&3	(15,243)	(786,763)
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
RETAINED LOSS FOR THE YEAR/ PERIOD		<u>£ (15,243)</u>	<u>£(786,763)</u>

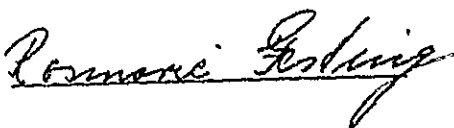
The notes on pages 7 to 11 form part of these accounts.

ALPHALYMBOL LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1987

	<u>Note</u>	<u>1987</u>		<u>1986</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	1c&5		3,551,560		3,720,491
CURRENT ASSETS					
Stock			4,930		7,990
Debtors	6		129,728		118,159
Cash in Hand			871		-
			<u>135,529</u>		<u>126,149</u>
CREDITORS: amounts falling due within one year					
Bank loans and overdraft	7		2,434,260		2,575,763
Trade and other creditors	8		330,766		347,115
			<u>2,765,026</u>		<u>2,922,878</u>
NET CURRENT LIABILITIES			<u>(2,629,497)</u>		<u>(2,796,729)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			922,063		923,762
CREDITORS: amounts falling due after more than one year	9		<u>(1,624,069)</u>		<u>(1,610,525)</u>
			<u>£ (702,006)</u>		<u>£ (686,763)</u>
CAPITAL AND RESERVES					
Called up share capital	11		100,000		100,000
Profit and loss account	12		(802,006)		(786,763)
			<u>£ (702,006)</u>		<u>£ (686,763)</u>

 DIRECTOR

 DIRECTOR

The accounts were approved by the Board of Directors on 25 June 1988.

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

ALPHASYMBOL LIMITED

SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 DECEMBER 1987

SOURCE OF FUNDS	1987		21 Months to 31 December 1986	
	£	£	£	£
Loss on ordinary activities before taxation		(15,243)		(786,763)
Adjustment for items not involving the movement of funds				
Depreciation		181,250		175,826
Total generated/absorbed from operations		166,007		(610,937)
Arising from other sources:				
Proceeds of share issue		-		100,000
		166,007		(510,937)
APPLICATION OF FUNDS				
Purchase of tangible fixed assets		12,319		3,896,317
		£153,688		£(4,407,254)
APPLIED TO INCREASE/(DECREASE) IN WORKING CAPITAL				
Stock		(3,060)		7,990
Debtors		11,569		118,159
Creditors		2,805		(1,957,640)
		11,314		(1,831,491)
Movement in net liquid funds:				
Bank and cash balances		871		-
Bank overdraft		141,503		(2,575,763)
		142,374		(2,575,763)
		£ 153,688		£(4,407,254)

NOTES TO THE ACCOUNTS

31 DECEMBER 1987

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 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.

2. ANALYSIS OF TURNOVER AND LOSS

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



NOTES TO THE ACCOUNTS31 DECEMBER 1987

## 3. LOSS ON ORDINARY ACTIVITIES

a) Loss is stated after charging:

	<u>1987</u> £	<u>1986</u> £
Depreciation	181,250	175,826
Hire of plant and machinery	10,981	21,260
Auditors' remuneration	2,000	6,500
	<u>          </u>	<u>          </u>

b) Interest payable on bank loans, overdrafts,  
hire purchase and other loans:  
Repayable wholly within five years

	<u>306,531</u>	<u>469,447</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>50</u>	<u>50</u>

Staff costs during the year amounted to:

	<u>1987</u> £	<u>1986</u> £
Wages and salaries	399,900	240,255
Social security costs	39,742	107,278
	<u>£439,642</u>	<u>£347,533</u>

Directors' remuneration consisted of:

Other emoluments (including pension contributions)	<u>£ 28,067</u>	<u>£28,470</u>
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## ALPHASYMBOL LIMITED

## NOTES TO THE ACCOUNTS

31 DECEMBER 1987

## 5. FIXED ASSETS

	Freehold Property £	Improve- ments to Property £	Motor Vehicle £	Plant and Machinery £	Fixtures Fittings Furniture and Equipment £	Total £
COST						
At 1 January 1987	2,249,445	756,059	24,382	146,578	719,853	3,896,317
Additions	-	1,030	-	1,946	9,343	12,319
Disposals	-	-	-	-	-	-
At 31 December 1987	<u>2,249,445</u>	<u>757,089</u>	<u>24,382</u>	<u>148,524</u>	<u>729,196</u>	<u>3,908,636</u>
DEPRECIATION						
At 1 January 1987	-	-	2,540	29,316	143,970	175,826
Charge for year	-	-	6,095	29,316	145,839	181,250
Disposals	-	-	-	-	-	-
At 31 December 1987	<u>-</u>	<u>-</u>	<u>8,635</u>	<u>58,632</u>	<u>289,809</u>	<u>357,076</u>
NET BOOK VALUE						
At 31 December 1987	<u>£2,249,445</u>	<u>£757,089</u>	<u>£ 15,747</u>	<u>£ 89,892</u>	<u>£439,387</u>	<u>£3,551,560</u>

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

## 6. DEBTORS

	1987 £	1986 £
Trade debtors	101,211	87,080
Other debtors	-	7,028
Prepayments and accrued income	28,517	24,051
	<u>£129,728</u>	<u>£118,159</u>

## 7. BANK LOANS AND OVERDRAFTS

The Company's bank loan and overdraft totalling £2,434,260 (1986:£2,575,763) 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.

## NOTES TO THE ACCOUNTS

31 DECEMBER 1987

8. TRADE AND OTHER CREDITORS	<u>1987</u> £	<u>1986</u> £
Trade creditors	148,985	200,022
Social security and employees' tax deductions	42,996	29,370
Other creditors	50,976	31,786
Accruals	87,809	85,937
	<u>£330,766</u>	<u>£347,115</u>

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

These comprise:	<u>1987</u> £	<u>1986</u> £
Amounts repayable after five years		
Directors' loans	£1,624,069	£1,610,525
	<u>£1,624,069</u>	<u>£1,610,525</u>

## 10. DEFERRED TAXATION

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

	<u>Provision</u>		<u>Potential Liability</u>	
	<u>1987</u> £	<u>1986</u> £	<u>1987</u> £	<u>1986</u> £
Accelerated capital allowances	-	-	414,369	359,013
Unrelieved tax losses	-	-	(414,369)	(359,013)
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

## 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 1987

12. RESERVES

	<u>Balance at</u> <u>1 January 1987</u> £	<u>Addition</u> <u>during</u> <u>Year</u> £	<u>Utilised</u> <u>during</u> <u>Year</u> £	<u>Balance at</u> <u>31 December 1987</u> £
Profit and loss account	£(786,763) <u>          </u>	£(15,243) <u>          </u>	- <u>          </u>	£(802,006) <u>          </u>