

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

31ST OCTOBER 1981

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KIDSONS

Chartered Accountants



HOTCHKISS PATENTS AND INVESTMENTS LIMITEDDIRECTORS' REPORT (Continued)

DIRECTORS' SHAREHOLDING (Continued)

In addition, Mr. W.G. Thompson had a non-beneficial interest as trustee in a further 1,366 Ordinary Shares at 31st October 1981 (1980 - 1,366). None of the directors have any beneficial interest in the share capital of any other company in the group.

FIXED ASSETS

Changes in fixed assets during the year are set out in note 5 to the financial statements.

AUDITORS

The auditors, Messrs. Kidsons, Chartered Accountants, have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

By Order of the Board


C. WREN-HILTON

Secretary

25th May 1982

Registered Office:

69 Aldwych,
London WC2B 4DY

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements set out on pages 4 to 14 in accordance with approved Auditing Standards.

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 group and of the company at 31st October 1981 and of its results and source and application of funds of the group for the year ended on that date and comply with the Companies Acts 1948 to 1981 in so far as the provisions of those Acts apply to these financial statements.



KIDSONS
Chartered Accountants

25th May 1982

HOTCHKISS PATENTS AND INVESTMENTS LIMITEDCONSOLIDATED PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST OCTOBER 1981

| | (Note) | <u>1981</u> £ | <u>1980</u> £ |
|----------------------|--------|--------------------------|--------------------------|
| TURNOVER | (1) | 236,682 ===== | 255,227 ===== |
| LOSS BEFORE TAXATION | (2) | (21,137) | (53,876) |
| TAXATION | (3) | - | (27,749) |
| LOSS FOR THE YEAR | (9) | <u>(21,137)</u> ===== | <u>(26,127)</u> ===== |

The notes on pages 9 to 14 form part of these financial statements.

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 1981

| | (Note) | <u>1981</u> £ | <u>1980</u> £ |
|------------------------|--------|-------------------------|--------------------------|
| TURNOVER | (1) | <u>7,797</u> ===== | <u>16,147</u> ===== |
| (LOSS) BEFORE TAXATION | (2) | (8,154) | (22,675) |
| TAXATION | (3) | - | (10,900) |
| (LOSS) AFTER TAXATION | (9) | <u>(8,154)</u> ===== | <u>(11,775)</u> ===== |

The notes on pages 9 to 14 form part of these financial statements.

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET - 31ST OCTOBER 1981

| | (Note) | 1981 | 1980 |
|--------------------------------|--------|----------------|----------------|
| | | £ | £ |
| <u>EMPLOYMENT OF FUNDS</u> | | | |
| FIXED ASSETS | (5) | 155,121 | 225,226 |
| GOODWILL ON CONSOLIDATION | | 78,440 | 78,440 |
| DEPOSIT | (7) | 9,000 | 9,000 |
| <u>CURRENT ASSETS</u> | | | |
| Unquoted Investments | | 1 | 1 |
| Stock | (1) | 2,000 | 2,783 |
| Debtors | | 25,200 | 1,444 |
| Taxation Recoverable | | 710 | 710 |
| Tax Reserve Certificates | | 180 | 180 |
| Cash and Bank | | 1,000 | 788 |
| | | <u>29,091</u> | <u>5,906</u> |
| <u>CURRENT LIABILITIES</u> | | | |
| Creditors | | 190,755 | 221,969 |
| Bank Overdraft | | 6,524 | 1,093 |
| | | <u>197,279</u> | <u>223,062</u> |
| <u>NET CURRENT LIABILITIES</u> | | (168,188) | (217,156) |
| | | <u>74,373</u> | <u>95,510</u> |
| <u>FUNDS EMPLOYED</u> | | | |
| SHARE CAPITAL | (8) | 5,000 | 5,000 |
| RESERVES | (9) | 19,373 | 40,510 |
| | | <u>24,373</u> | <u>45,510</u> |
| SHAREHOLDERS' FUNDS | | 50,000 | 50,000 |
| LOAN CAPITAL | (10) | | |
| | | <u>74,373</u> | <u>95,510</u> |

The financial statements were approved by the Board of Directors on 25th May 1982

L.D. THOMPSON)
) Directors
 W.G. THOMPSON)

L.D. Thompson


The notes on pages 9 to 14 form part of these financial statements.

HOTCHKISS PATENTS AND INVESTMENTS LIMITEDBALANCE SHEET - 31ST OCTOBER 1981

| | (Note) | £ | <u>1981</u> | £ | £ | <u>1980</u> | £ |
|----------------------------------|--------|---------|-------------|-----------|---------|-------------|-----------|
| <u>EMPLOYMENT OF FUNDS</u> | | | | | | | |
| FIXED ASSETS | (5) | | | 2 | | | 15,987 |
| SUBSIDIARY COMPANY | | | | | | | |
| Shares at Cost | (6) | 122,304 | | | 122,304 | | |
| Current Account | | 177,308 | | | 208,722 | | |
| | | | | | | | |
| | | | | 299,512 | | | 331,026 |
| DEPOSIT | (7) | | | 9,000 | | | 9,000 |
| <u>CURRENT ASSETS</u> | | | | | | | |
| Taxation Recoverable | | 240 | | | 240 | | |
| Tax Reserve Certificates | | 180 | | | 180 | | |
| | | | | | | | |
| | | | | 420 | | 420 | |
| <u>CURRENT LIABILITIES</u> | | | | | | | |
| Creditors | | 164,603 | | | 209,379 | | |
| Bank Overdraft | | 6,524 | | | 1,093 | | |
| | | | | | | | |
| | | | | 171,127 | | 210,472 | |
| <u>NET CURRENT (LIABILITIES)</u> | | | | | | | |
| | | | | (170,707) | | | (210,052) |
| | | | | 137,807 | | | 145,961 |
| | | | | ===== | | | ===== |
| <u>FUNDS EMPLOYED</u> | | | | | | | |
| SHARE CAPITAL | (8) | | | 5,000 | | | 5,000 |
| RESERVES | (9) | | | 82,807 | | | 90,961 |
| | | | | | | | |
| | | | | 87,807 | | | 95,961 |
| SHAREHOLDERS' FUNDS | | | | | | | |
| LOAN CAPITAL | (10) | | | 50,000 | | | 50,000 |
| | | | | | | | |
| | | | | 137,807 | | | 145,961 |
| | | | | ===== | | | ===== |

These financial statements were approved by the Board of Directors on 25th May 1982

L.D. THOMPSON)
) Directors
 W.G. THOMPSON)

L.D. Thompson


The notes on pages 9 to 14 form part of these financial statements.

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

CONSOLIDATED SOURCE AND APPLICATION OF FUNDS STATEMENTYEAR ENDED 31ST OCTOBER 1981

| | | <u>1981</u> | | <u>1980</u> |
|---|---------------|-------------|----------------|------------------|
| | £ | | £ | £ |
| FUNDS ARISING FROM TRADE | | | | |
| Loss before Taxation | | | (21,137) | (53,876) |
| Depreciation | | | 55,129 | 55,530 |
| Profit on sale of fixed assets | | | (18,860) | - |
| | | | <u>15,132</u> | <u>1,654</u> |
| FUNDS FROM OTHER SOURCES | | | | |
| Corporation tax refund | - | | | 3,149 |
| Proceeds of sale of fixed assets | 44,738 | | | 17,877 |
| | <u>44,738</u> | | | <u>21,026</u> |
| APPLICATION OF FUNDS | | | | |
| Purchase of fixed assets | 10,902 | | | 11,768 |
| | | | <u>33,836</u> | <u>9,258</u> |
| NET INFLOW OF FUNDS | | | <u>48,968</u> | <u>10,912</u> |
| WORKING CAPITAL MOVEMENTS | | | | |
| Stock (decrease) increase | (783) | | | 575 |
| Creditors decrease (increase) | 31,214 | | | (193,854) |
| Debtors increase (decrease) | 23,756 | | | (15,820) |
| | | | <u>54,187</u> | <u>(209,099)</u> |
| (Decrease) Increase in Net Liquid Funds | | | <u>(5,219)</u> | <u>220,011</u> |
| | | | <u>48,968</u> | <u>10,912</u> |

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1981

1. ACCOUNTING POLICIES

a) Turnover

Turnover is defined as takings excluding Value Added Tax.

b) Depreciation

Depreciation is provided on the fixed assets at varying rates in order to write them off over the period of their expected life. The annual rates of depreciation on fixed assets which have not been written down to a nominal value are 15% and 25%.

c) Stock

Stock is valued at the lower of cost and net realisable value.

d) Taxation

Taxation is based on the results for the year and is calculated at the rate of 52%. No Corporation Tax is payable. The Corporation tax losses for the year have been carried forward to offset against future trading profits.

2. (LOSS) BEFORE TAXATION

| | <u>1981</u> | <u>1980</u> |
|-------------------------------------|-------------|-------------|
| GROUP | £ | £ |
| The loss is stated after charging:- | | |
| Depreciation | 55,129 | 55,530 |
| Directors' Fees | - | - |
| Other Remuneration | - | - |
| Auditors' Remuneration | 860 | 860 |
| Loan Interest | 5,449 | 7,978 |
| | ===== | ===== |
| and crediting:- | | |
| Profit on sale of fixed assets | 18,860 | - |
| | ===== | ===== |

HOTCHKISS PATENTS AND INVESTMENTS LIMITEDNOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1981

(Continued)

2. (LOSS) BEFORE TAXATION (Continued)

| | <u>1981</u> | <u>1980</u> |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| COMPANY | | |
| The loss is stated after charging:- | | |
| Depreciation | - | 4,908 |
| Directors' Fees | - | - |
| Other Remuneration | - | - |
| Auditors' Remuneration | 500 | 500 |
| Loan Interest | 5,449 | 7,978 |
| | ===== | ===== |
| and crediting:- | | |
| Profit on sale of fixed assets | 1,753 | - |
| | ===== | ===== |

3. TAXATION

| | <u>1981</u> | <u>1980</u> |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| GROUP | | |
| Corporation tax | - | (3,149) |
| Transfer to deferred taxation | - | (24,600) |
| | ----- | ----- |
| | - | (27,749) |
| | ===== | ===== |
| COMPANY | | |
| Transfer (from)/to deferred taxation | - | (10,900) |
| | ----- | ----- |
| | - | (10,900) |
| | ===== | ===== |

HOTCHKISS PATENTS AND INVESTMENTS LIMITEDNOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1981

(Continued)

4. DIRECTORS' REMUNERATION

| | <u>1981</u> £ | <u>1980</u> £ |
|--|------------------|------------------|
| GROUP | | |
| Emoluments of the Chairman | NIL | NIL |
| Number of other directors whose emoluments were within the range:- £0 - £5,000. | 4 ===== | 4 ===== |
| The number of directors who have waived rights to receive emoluments was | 3 ===== | 3 ===== |
| The aggregate amount of the emoluments waived | 14,434 ===== | 12,000 ===== |
| COMPANY | | |
| Emoluments of the Chairman | - | - |
| Number of other directors whose emoluments were within the range:- £0 - £5,000 | 4 ===== | 4 ===== |
| The number of directors who have waived rights to receive emoluments was | 3 ===== | 3 ===== |
| The aggregate amount of the emoluments waived | 5,000 ===== | 4,000 ===== |

HOTCHKISS PATENTS AND INVESTMENTS LIMITED

NOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1981

(Continued)

5. FIXED ASSETS

GROUP

| | <u>Short Lease</u> £ | <u>Amusement Devices</u> £ | <u>Fixtures & Fittings</u> £ | <u>Motor Vehicles</u> £ | <u>Total</u> £ |
|---------------------------------------|-----------------------------|-----------------------------------|---|--------------------------------|-------------------|
| COST | | | | | |
| 31st October 1980 | 12,811 | 397,470 | 11,607 | 3,991 | 425,879 |
| Additions | - | 9,714 | 1,188 | - | 10,902 |
| Disposals | - | (65,792) | - | - | (65,792) |
| 31st October 1981 | 12,811 | 341,392 | 12,795 | 3,991 | 370,989 |
| DEPRECIATION | | | | | |
| 31st October 1980 | 12,810 | 185,058 | 2,785 | - | 200,653 |
| Disposals | - | (39,914) | - | - | (39,914) |
| Charged to Profit and Loss Account | - | 52,741 | 1,390 | 998 | 55,129 |
| | 12,810 | 197,885 | 4,175 | 998 | 215,868 |
| NET BOOK VALUE | | | | | |
| 31st October 1981 | 1 | 143,507 | 8,620 | 2,993 | 155,121 |
| 31st October 1980 | 1 | 212,412 | 8,822 | 3,991 | 225,226 |

COMPANY

| | <u>Amusement Devices</u> | |
|------------------------------------|--------------------------|-------------|
| | <u>1981</u> | <u>1980</u> |
| | £ | £ |
| COST | | |
| 31st October 1980 | 37,765 | 37,765 |
| Disposals | (33,542) | - |
| 31st October 1981 | 4,223 | 37,765 |
| DEPRECIATION | | |
| 31st October 1980 | 21,778 | 16,870 |
| Disposals | (17,557) | - |
| Charged to Profit and Loss Account | - | 4,908 |
| 31st October 1981 | 4,221 | 21,778 |
| NET BOOK VALUE | | |
| 31st October 1981 | 2 | 15,987 |
| 31st October 1980 | 15,987 | 20,895 |

HOTCHKISS PATENTS AND INVESTMENTS LIMITEDNOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1981

(Continued)

6. SUBSIDIARY COMPANIES

The under-mentioned are subsidiary companies, all of which are incorporated in England.

| | Proportion of issued capital held | |
|---------------------------------------|--------------------------------------|---------------------|
| | By the Company | Via a Subsidiary |
| Helters Limited | 100% | - |
| Helters Skatepark (Southport) Limited | - | 100% |

7. DEPOSIT

The company is a founder member of the South Shore Mutual Insurance Company Limited, which is limited by guarantee. The reserves of South Shore Mutual Insurance Company Limited at 31st October 1981 amounted to £283,051 in which the company has a substantial interest, the precise amount of which depends upon a formula set out in the Insurance Company's Articles of Association.

8. SHARE CAPITAL

| | <u>1980 and 1981</u> | |
|----------------------------|----------------------|----------------------------------|
| | <u>Authorised</u> | <u>Issued and Fully Paid</u> |
| | £ | £ |
| Ordinary shares of £1 each | 5,000 | 5,000 |
| | ===== | ===== |

HOTCHKISS PATENTS AND INVESTMENTS LIMITEDNOTES ON FINANCIAL STATEMENTS - 31ST OCTOBER 1981

(Continued)

9. RESERVES

GROUP

| | <u>Share Premium</u> £ | <u>Capital</u> £ | <u>Revenue</u> £ | <u>Total</u> £ |
|-------------------|-------------------------------|---------------------|---------------------|-------------------|
| 31st October 1980 | 8,000 | 7,098 | 25,412 | 40,510 |
| (Loss) for year | - | - | (21,137) | (21,137) |
| 31st October 1981 | 8,000 | 7,098 | 4,275 | 19,373 |

COMPANY

| | <u>Share Premium</u> £ | <u>Capital</u> £ | <u>Revenue</u> £ | <u>Total</u> £ |
|-------------------|-------------------------------|---------------------|---------------------|-------------------|
| 31st October 1980 | 8,000 | 7,098 | 75,863 | 90,961 |
| (Loss) for year | - | - | (8,154) | (8,154) |
| 31st October 1981 | 8,000 | 7,098 | 67,709 | 82,807 |

10. LOAN CAPITAL

| | <u>1981</u> £ | <u>1980</u> £ |
|------------------------------------|------------------|------------------|
| 10% Unsecured Loan Stock 1987/1996 | 50,000 | 50,000 |

11. CAPITAL COMMITMENTS

There are no commitments for capital expenditure at 31st October 1981 (1980: £NIL).