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DEMOR INVESTMENTS LIMITED

BALANCE SHEET

AND ACCOUNTS

31st OCTOBER 1978

DEMOR INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited Accounts of the Company for the year ended 31st October 1978.

PRINCIPAL ACTIVITY

The principal activity of the company is carrying on the trade of Publicans.

RESULTS

Trading in the year produced a profit of £922 (1977 - £1475) and the gain on sale of the Century Bar amounted to £15500. The directors recommend that £16422 be transferred to reserves.

FIXED ASSETS

The horse, which is shown in the Balance Sheet at a written down value of £1200 was sold on 1 February 1979 for £420.

DIVIDENDS

The directors recommend that no dividend be paid.

DIRECTORS

The following were directors of the Company during the year:

D.R. le Marquand (Chairman)
J.S. Morrison
C. Morrison
D.R.H. Sheasby
E.T. Sheasby

Mr. D.R. Le Marquand & Mr. J.S. Morrison retire at this time and being eligible offer themselves for re-election.

DIRECTORS' INTERESTS

The directors' interests in the company are shown below:

	Ordinary Shares of £1 each	
	31 October 1977	31 October 1978
D.R. le Marquand	9300	9300
J.S. Morrison	6190	6190
C.R. Morrison	10	10
D.R.H. Sheasby	6190	6190
E.T. Sheasby	10	10

AUDITORS

Mrs. A.A. SCOTT, Chartered Accountant, has intimated her willingness to be reappointed.

BY ORDER OF THE BOARD

GLASGOW: 21st February, 1979

Secretary.

AUDITOR'S REPORT TO THE MEMBERS OF

DEMOR INVESTMENTS LIMITED

I have examined the annexed accounts, notes and statement of source and application of funds. These have been prepared under the historical cost convention.

In my opinion the accounts comply with the Companies Acts 1948 and 1967 and give, under the accounting convention stated above, a true and fair view of the state of affairs of the company at 31st October 1978 and of the profit and of the source and application of funds for the year ended on that date, after providing for taxation on the basis described in the notes.

Chartered Accountant.

21st February 1979.

DEMOR INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER 1978

31/10/77 £		£	£
87169	Turnover		131948
9419	Trading Profit for the year		14438
	Add:		
-	Gain on sale of Century	15500	
-	Deposit Receipt Interest	876	
			16376
9419			30814
	Less:		
-	Directors' Remuneration	3792	
2025	Bank Interest	728	
445	Other Interest	739	
200	Auditor's Remuneration	200	
330	Legal Fees	530	
444	Depreciation	2572	
-	Loss on Sale of Fittings	63	
3444			8624
5975			22190
4500	Taxation		5768
1475			16422
-	Balance brought forward from Previous Year		1475
£ 1475			£ 17897

The annexed notes form part of these Accounts.

DEMOR INVESTMENTS LIMITED

BALANCE SHEET AT 31ST OCTOBER 1978.

31/10/77 £		£	£
	FIXED ASSETS: (Note 4)		
41,230	Heritable Property, at cost	37,230	
10,711	Fixtures & Fittings, at cost less depreciation	12,323	
-	Horse, at cost less depreciation	1,200	50,753
51,941			
21,000	GOODWILL		12,500
	CURRENT ASSETS:		
3,834	Stock	3,162	
599	Debtors and Prepayments	836	
1,766	Cash in Bank	20,600	
6,199		24,598	
	CURRENT LIABILITIES:		
32,025	Bank Loan	-	
5,640	Creditors and Provisions	11,786	
37,665		11,786	
(31,466)	NET CURRENT ASSETS		12,812
	NON CURRENT LIABILITIES:		
7,600	Long Term Loan	-	
-	Other Loan	20,000	
4,500	Deferred Taxation (Note 2)	10 268	
12,100			(30,268)
£ 29,375	NET ASSETS		£ 45,797
21,700	SHARE CAPITAL (Note 5)		21,700
6,200	SHARE PREMIUM		6,200
1,475	RESERVES (Note 6)		17,897
£ 29,375			£ 45,797

DIRECTOR

DIRECTOR

The annexed notes form part of these Accounts.

DEMOR INVESTMENTS LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT;
FOR YEAR ENDED 31 OCTOBER 1978.

	1978		1977	
	£	£	£	£
SOURCE OF FUNDS				
Profit before taxation		22190		5975
Adjustments for items not involving the movement of funds: depreciation and loss on sale of fittings	2635		444	
Gain on sale of Century Bar	(15500)		-	
		(12865)		444
TOTAL GENERATED FROM OPERATIONS		9325		6419
FUNDS FROM OTHER SOURCES:				
Sale of Fixed Assets	22000		-	
Sale of Goodwill	10000		-	
Short Term Loan	20000		-	
Bank Loan	-		32025	
Long Term Loan	-		7600	
Issue of Share Capital	-		27900	
		52000		67525
		61325		73944
APPLICATION OF FUNDS				
Purchase of fixed Assets	9447		52385	
Purchase of Goodwill	-		21000	
Long Term Loan Repaid	7600		-	
Bank Loan Repaid	32025		-	
		49072		73385
		12253		559
WORKING CAPITAL				
(Increase) decrease in stocks	672		(3834)	
(Increase) in debtors	(237)		(599)	
Increase in creditors	6146		5640	
		6581		1207
		18834		1766
INCREASE IN LIQUID FUNDS				
Increase in cash at bank		18834		1766

DEMOR INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS - 31st OCTOBER 1978

1. Accounting Policies

(1) Fixed Assets and Depreciation:

Fixed Assets are stated at cost.

Depreciation has been provided on the reducing balance method at rates estimated to reduce the assets to their residual values over their remaining useful lives.

(2) Stocks:

Stocks have been valued at the lower of cost and net realisable value.

(3) Deferred Taxation:

Deferred taxation is accounted for, on the liability method, in respect of the tax reduction arising from all originating timing differences of material amount. More detailed information is given in Note 2.

(4) Turnover:

Turnover represents cash received for sales excluding V.A.T.

2. Taxation

(a) No provision has been made for corporation tax due to losses brought forward. Losses carried forward at 31 October 1978 amount to £320. The tax losses carried forward are arrived at after taking account of accumulated accelerated capital allowances to be claimed at 31 October 1978 of £5446.

Deferred Taxation comprises:-

	1978	1977
Accelerated writing down allowance:	£5680	£4500
Capital Gains Tax deferred under the provision of 'Rollover Relief', Section 33 of the 1965 Finance Act.	4588	-
	£10268	£4500

(b) In the opinion of the directors, the company is a close company within the meaning of Section 282 of the Income and Corporation Taxes Act, 1970

3. DIRECTORS' EMOLUMENTS:

Emoluments of Chairman (highest paid Director)	£3792	£ -

Number of Directors' whose emoluments were within the range:-

NIL	to	£2500	4	5
£2501	to	£5000	1	-

DEMOR INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS - 31st OCTOBER 1978

4. Fixed Assets

	Heritable Property	Fixtures & Fittings	Horse	Total
Cost at 31 October 1977	41230	11155	-	52385
Additions	-	7047	2400	9447
Disposals	(4000)	(4277)	-	(8277)
	£37230	£13925	£2400	£53555
Accumulated depreciation at 31 October 1977	-	444	-	444
Charged to Profit and Loss Account	-	1372	1200	2572
Depreciation on Disposals	-	(214)		(214)
	£ -	£ 1602	£1200	£2802
Net Book Value at 31 October 1978	£37230	£12323	£1200	£50753
Net Book Value at 31 October 1977	£41230	£10711	£ -	£51941

No Depreciation has been provided on Heritable Property.

5. Share Capital

	1978	1977
Authorised:		
25,000 Ordinary Shares of £1 each	£25000	£25000
Issued and Fully Paid:		
21,700 Ordinary Shares of £1 each	£21700	£21700

6. Reserves

Revenues		
at 31 October 1977	£ 1475	-
Profit for year	16422	1475
	£17897	£ 1475

7. Security Granted

A Standard Security over the Heritable property has been granted to Tennent Caledonian Breweries Limited, in respect of borrowings of the company.