SCOTT & CO

Chartered Accountants

NO: 61021

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1994

FOR

DEMOR INVESTMENTS LIMITED



DEMOR INVESTMENTS LIMITED

INDEX TO THE FINANCIAL STATEMENTS

	Page
Company Information	1
Report of the Director	2
Report of the Auditors to the Shareholders	4
Report of the Auditors to the Director pursuant to Section 248(3) of the Companies Act 1985	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

DEMOR INVESTMENTS LIMITED

COMPANY INFORMATION

DIRECTOR:	D.R. LeMarquand
SECRETARY:	Mrs. D. LeMarquand
REGISTERED OFFICE:	1 Claremont Terrace Glasgow G3 7UQ
REGISTERED NUMBER:	61021
AUDITORS:	Scott & Co. Chartered Accountants Registered Auditor Unit B5 Whitecrook Centre 78 Whitecrook Street Clydebank G81 1QF

DEMOR INVESTMENTS LIMITED

REPORT OF THE DIRECTOR

The director presents his report with the financial statements of the company for the year ended 31 October 1994.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of publicans and wholesale merchants.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS AND TRANSFERS TO RESERVES
No dividends will be distributed for the year ended 31 October 1994. The retained profit transferred to reserves will be £50,117.

DIRECTOR
The director of the company in office during the year and his beneficial interest in the issued share capital was as follows:

Name	Class of Capital	31.10.94	1.11.93
D.R. LeMarquand	Ordinary £1	9,300	9,300

CHARITABLE DONATIONS
During the year under review charitable donations amounting to £59 were made.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DEMOR INVESTMENTS LIMITED

REPORT OF THE DIRECTOR

AUDITORS
The auditors, Scott & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

Mrs. D. LeMarquand - Secretary

Dated: 15 May 1995

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF DEMOR INVESTMENTS LIMITED

We have audited the financial statements on pages six to sixteen which have been prepared under the historical cost convention and the accounting policies set out on page eight.

Respective responsibilities of director and auditors
As described on page two the company's director is 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 judgments made by the director 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 October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Scott & Co.
Chartered Accountants
Registered Auditor
Unit B5
Whitecrook Centre
78 Whitecrook Street
Clydebank G81 1QF

Dated: 16 May 1995

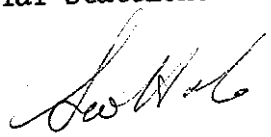
DEMOR INVESTMENTS LIMITED

REPORT OF THE AUDITORS TO THE DIRECTOR OF
DEMOR INVESTMENTS LIMITED
PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

We have examined the financial statements of the company and each of its subsidiaries for the year ended 31 October 1994.

Basis of opinion
The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion
In our opinion the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.



Scott & Co.
Chartered Accountants
Registered Auditor
Unit B5
Whitecrook Centre
78 Whitecrook Street
Clydebank G81 1QF

Dated: 16 May 1995

DEMOR INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 October 1994

	Notes	31.10.94	31.10.93
		£	£
TURNOVER	2	2,788,858	2,456,357
Cost of Sales		2,012,138	1,666,465
GROSS PROFIT		776,720	789,892
Administrative Expenses		685,885	887,109
OPERATING PROFIT/(LOSS)	4	90,835	(97,217)
Interest Receivable	5	11,731	1,986
		102,566	(95,231)
Interest Payable and Similar Charges	6	32,414	39,845
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		70,152	(135,076)
Tax on Profit/(Loss) on Ordinary Activities	7	20,035	(51,890)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		50,117	(83,186)
Dividends	8	-	65,100
		50,117	(148,286)
Retained Profit brought forward		230,691	378,977
RETAINED PROFIT CARRIED FORWARD		£280,808	£230,691

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

DEMOR INVESTMENTS LIMITED

BALANCE SHEET
As at 31 October 1994

	Notes	31.10.94 £	31.10.94 £	31.10.93 £	31.10.93 £
FIXED ASSETS:					
Intangible Assets	9		54,000		-
Tangible Assets	10		883,565		467,968
Investments	11		73,744		204,573
			1,011,309		672,541
CURRENT ASSETS:					
Stocks	12	151,253		103,311	
Debtors	13	43,811		66,174	
Cash at Bank and In Hand		45,278		47,796	
		240,342		217,281	
CREDITORS: Amounts falling due within one year	14	545,507		603,165	
NET CURRENT LIABILITIES:			(305,165)		(385,884)
TOTAL ASSETS LESS CURRENT LIABILITIES:			706,144		286,657
CREDITORS: Amounts falling due after more than one year	15		(369,370)		-
PROVISIONS FOR LIABILITIES AND CHARGES:	18		(28,066)		(28,066)
			£308,708		£258,591
CAPITAL AND RESERVES:					
Called Up Share Capital	19		9,300		9,300
Share Premium	20		6,200		6,200
Capital Redemption Reserve	21		12,400		12,400
Profit & Loss Account			280,808		230,691
Shareholders' Funds	22		£308,708		£258,591

ON BEHALF OF THE BOARD:

D.R. LeMarquand - DIRECTOR

Approved by the Board on 15 May 1995

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 1994

1. ACCOUNTING POLICIES

Accounting Convention
The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover
Turnover represents the net income received in the public houses and the net invoiced sales of the wholesale merchants, excluding value added tax.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 1994, is being written off evenly over its estimated useful life of 5 years.

Tangible Fixed Assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings	- 2% on cost
Improvements to Property	- 20% on reducing balance
Plant & Machinery	- 20% on reducing balance
Fixtures & Fittings	- 10% on reducing balance
Motor Vehicles	- 25% on reducing balance
Horse	- 25% on reducing balance

Stocks
Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

Group Accounts
The company and its subsidiary undertakings comprise a small group. The company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 1994

2. TURNOVER

The turnover and profit (1993 - loss) before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	31.10.94	31.10.93
	£	£
Wages and Salaries	344,601	353,217
Social Security Costs	26,369	28,877
Other Pension Costs	20,000	20,000
	390,970	402,094

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

	31.10.94	31.10.93
Office & Management	3	3
Distribution	6	6
Other Employees	38	44
	47	53

4. OPERATING PROFIT/(LOSS)

The operating profit (1993 - operating loss) is stated after charging/(crediting):

	31.10.94	31.10.93
	£	£
Depreciation - Owned Assets	38,555	27,603
(Profit)/Loss on Disposal of Fixed Assets	(534)	195,163
Goodwill Written Off	6,000	-
Auditors' Remuneration	5,725	5,200
Director's Emoluments	30,000	30,000
Director's Benefits Paid.	1,209	2,253

5. INTEREST RECEIVABLE

	31.10.94	31.10.93
	£	£
Deposit Account Interest	1,310	268
Loan Interest	10,421	1,718
	11,731	1,986

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 1994

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.10.94 £	31.10.93 £
Bank Loans, Overdrafts and Other Loans repayable within five years:		
otherwise than by instalments	10,396	7,169
by instalments	21,268	31,926
Finance Charges - Hire Purchase Contracts and Finance Leases	750	750
	32,414	39,845

7. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.10.94 £	31.10.93 £
Based on the adjusted results of the year:		
UK Corporation Tax	25,059	30,730
Overprovision in Previous Year	(5,024)	-
Deferred Taxation	-	(82,620)
	20,035	(51,890)

UK Corporation Tax has been charged at 25% (1993 - 25%).

8. DIVIDENDS

	31.10.94 £	31.10.93 £
Equity shares:		
Interim	-	65,100

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 1994

9. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
As at 1 November 1993	71,000
Additions	60,000
As at 31 October 1994	131,000
AMORTISATION:	
As at 1 November 1993	71,000
Charge for Year	6,000
As at 31 October 1994	77,000
NET BOOK VALUE:	
As at 31 October 1994	£54,000

10. TANGIBLE FIXED ASSETS

	Buildings	Improvements to Property	Plant & Machinery
	£	£	£
COST:			
As at 1 November 1993	433,276	4,011	20,130
Additions	377,700	520	2,731
As at 31 October 1994	810,976	4,531	22,861
DEPRECIATION:			
As at 1 November 1993	41,710	2,115	10,064
Charge for Year	16,219	483	2,559
As at 31 October 1994	57,929	2,598	12,623
NET BOOK VALUE:			
As at 31 October 1994	£753,047	£1,933	£10,238
As at 31 October 1993	£391,565	£1,896	£10,065

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 1994

	Fixtures & Fittings	Motor Vehicles	Horse	Totals
	£	£	£	£
COST:				
As at 1 November 1993	36,121	69,679	-	563,217
Additions	54,523	2,945	16,547	454,966
Disposals	-	(1,450)	-	(1,450)
As at 31 October 1994	90,644	71,174	16,547	1,016,733
DEPRECIATION:				
As at 1 November 1993	11,216	30,142	-	95,247
Charge for Year	6,124	10,413	2,757	38,555
Eliminated on Disposals	-	(634)	-	(634)
As at 31 October 1994	17,340	39,921	2,757	133,168
NET BOOK VALUE:				
As at 31 October 1994	£73,304	£31,253	£13,790	£883,565
As at 31 October 1993	£24,905	£39,537	-	£467,968

11. FIXED ASSET INVESTMENTS

The company's investments in the ordinary share capital of unlisted companies at the balance sheet date include the following:

Company	%age Holding	Country of Incorporation
Wilson's Bar Limited	100	Scotland
Demor Inv. (T.F. Prop.) Ltd.	100	Scotland

Investments (neither listed nor unlisted) were as follows:

	31.10.94	31.10.93
	£	£
Investment in Subsidiaries	600	600
Advances to Subsidiaries	63,144	193,973
Deposit on Lease	10,000	10,000
	73,744	204,573

12. STOCKS

	31.10.94	31.10.93
	£	£
Stock	151,253	103,311

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 1994

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.94 £	31.10.93 £
Trade Debtors	3,449	5,100
Other Debtors	10,775	1,219
Prepayments & Accrued Income	13,106	8,206
Employee Loans	854	1,450
Other Loans	10,000	47,500
Wages Control Account	4,666	2,403
Director's Current Account	961	182
VAT on Bad Debts	-	114
	43,811	66,174

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.94 £	31.10.93 £
Bank Loans and Overdrafts	182,314	252,126
(See Note 16)	256,794	278,596
Trade Creditors	25,072	36,400
V.A.T.	6,369	6,440
Other Taxes & Social Security	6,000	1,500
Brewers Advances	25,059	11,870
Taxation	43,899	16,233
Accrued Expenses	545,507	603,165

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

	31.10.94 £	31.10.93 £
Bank Loans	347,870	-
(See Note 16)	21,500	-
Brewers Advances	369,370	-

16. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.10.94 £	31.10.93 £
Amounts falling due within one year or on demand:		
Bank Overdrafts	140,983	137,658
Bank Loans	41,331	114,468
	182,314	252,126
Amounts falling due between one and two years:		
Bank Loans	41,331	-
Amounts falling due between two and five years:		
Bank Loans	123,993	-
Amounts falling due in more than five years:		
Repayable by instalments Bank Loans	182,546	-

The bank loan is repayable by equal monthly instalments of capital and interest. The final payment is due in May 2004.

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 1994

17. SECURED DEBTS

The following secured debts are included within creditors:

	31.10.94	31.10.93
	£	£
Bank Overdrafts	140,983	137,658
Bank Loans	389,201	114,468
	530,184	252,126

All advances from the bank are secured by a standard security over heritable properties owned by Demor Investments Limited, by a bond and floating charge over the company's assets and an assignation of a life assurance policy on the life of the director.
In addition the bank holds a guarantee from Wilson's Bar Limited.

18. PROVISIONS FOR LIABILITIES AND CHARGES

	31.10.94	31.10.93
	£	£
Deferred Taxation	28,066	28,066

	Deferred Taxation
	£
Balance at 1 November 1993	(28,066)
Balance at 31 October 1994	(28,066)

19. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	31.10.94	31.10.93
			£	£
25,000	Ordinary	£1	25,000	25,000

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	31.10.94	31.10.93
			£	£
9,300	Ordinary	£1	9,300	9,300

20. SHARE PREMIUM ACCOUNT

	31.10.94	31.10.93
	£	£
Share Premium Account	6,200	6,200

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 1994

21. CAPITAL REDEMPTION RESERVE

	31.10.94	31.10.93
	£	£
Capital Redemption Reserve	12,400	12,400

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.10.94	31.10.93
	£	£
Profit/(Loss) for the Financial Year	50,117	(83,186)
Dividends	-	(65,100)
NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS	50,117	(148,286)
Opening Shareholders' Funds	258,591	406,877
CLOSING SHAREHOLDERS' FUNDS	308,708	258,591
Equity interests	308,708	258,591