REGISTERED NUMBER: SC061021

SCOTT & CO

Chartered Accountants

Report of the Director and

Financial Statements

for the Year Ended 31 October 1995

for

Demor Investments Limited



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for the Year Ended 31 October 1995

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Company Information
for the Year Ended 31 October 1995

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

Report of the Director
for the Year Ended 31 October 1995

The director presents his report with the financial statements of the company for the year ended 31 October 1995.

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 1995. The retained profit transferred to reserves will be £92,969.

DIRECTOR
D R LeMarquand was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.10.95	1.11.94
Ordinary £1 shares	9,300	9,300

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.

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: 1 March 1996

Report of the Auditors to the Shareholders of Demor Investments Limited

We have audited the financial statements on pages five to fourteen which have been prepared under the historical cost convention and the accounting policies set out on page seven.

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 1995 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

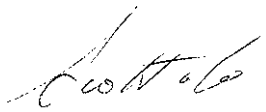
Dated: 1 March 1996

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 1995.

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: 1 March 1996

Profit and Loss Account
for the Year Ended 31 October 1995

	Notes	31.10.95 £	31.10.94 £
TURNOVER	2	3,605,460	2,788,858
Cost of sales		2,679,855	2,012,138
GROSS PROFIT		925,605	776,720
Administrative expenses		755,690	685,885
OPERATING PROFIT	4	169,915	90,835
Interest receivable and similar income	5	1,468	11,731
		171,383	102,566
Interest payable and similar charges	6	44,724	32,414
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		126,659	70,152
Tax on profit on ordinary activities	7	33,690	20,035
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		92,969	50,117
Retained profit brought forward		280,808	230,691
RETAINED PROFIT CARRIED FORWARD		£373,777	£280,808

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 profits for the current and previous years.

The notes form part of these financial statements

Balance Sheet
31 October 1995

	Notes	31.10.95 £	31.10.95 £	31.10.94 £	31.10.94 £
FIXED ASSETS:					
Intangible assets	8		42,000		54,000
Tangible assets	9		889,820		883,565
Investments	10		72,698		73,744
			1,004,518		1,011,309
CURRENT ASSETS:					
Stocks	11	254,865		151,253	
Debtors	12	36,921		43,811	
Cash at bank and in hand		49,924		45,278	
		341,710		240,342	
CREDITORS: Amounts falling due within one year	13	578,359		545,507	
NET CURRENT LIABILITIES:			(236,649)		(305,165)
TOTAL ASSETS LESS CURRENT LIABILITIES:			767,869		706,144
CREDITORS: Amounts falling due after more than one year	14		(336,931)		(369,370)
PROVISIONS FOR LIABILITIES AND CHARGES:	17		(29,261)		(28,066)
			£401,677		£308,708
CAPITAL AND RESERVES:					
Called up share capital	18		9,300		9,300
Share premium	19		6,200		6,200
Capital redemption reserve	20		12,400		12,400
Profit & loss account			373,777		280,808
Shareholders' funds	21		£401,677		£308,708

ON BEHALF OF THE BOARD:

D R LeMarquand - DIRECTOR

Approved by the Board on 1 March 1996

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 October 1995

1. ACCOUNTING POLICIES

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

Financial Reporting Standard Number 1
Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover
Turnover represents net invoiced sales of goods, 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 five 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 and machinery	- 20% on reducing balance
Fixtures and 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.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	31.10.95	31.10.94
	£	£
Wages and salaries	395,529	344,601
Social security costs	29,790	26,369
Other pension costs	-	20,000
	425,319	390,970

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

	31.10.95	31.10.94
Office & management	3	3
Distribution	6	6
Public house staff	47	38
	56	47

4. OPERATING PROFIT

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

	31.10.95 £	31.10.94 £
Depreciation - owned assets	44,417	38,555
Loss/(Profit) on disposal of fixed assets	432	(534)
Goodwill written off	12,000	6,000
Auditors' remuneration	5,700	5,725
Director's emoluments (see below)	72,000	30,000
Director's benefits paid	-	1,209

Details of individual emoluments, excluding pension contributions, were as follows:

	31.10.95 £
Chairman	72,000

The director's emoluments, excluding pension contributions, fell within the following range:

	31.10.95
£70,001 - £75,000	

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.10.95 £	31.10.94 £
Deposit account interest	-	1,310
Loan interest	1,468	10,421
	1,468	11,731

Notes to the Financial Statements
for the Year Ended 31 October 1995

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.10.95 £	31.10.94 £
Bank loans, overdrafts and other loans repayable within five years:		
otherwise than by instalments	9,684	10,396
by instalments	34,290	21,268
Finance charges - hire purchase or finance leases	750	750
	44,724	32,414

7. TAXATION

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

	31.10.95 £	31.10.94 £
Based on the adjusted results of the year:		
UK Corporation Tax	37,495	25,059
Overprovided in previous years	(5,000)	(5,024)
Deferred taxation	1,195	-
	33,690	20,035

UK Corporation Tax has been charged at 25% (1994 - 25%).

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1 November 1994 and 31 October 1995	131,000
AMORTISATION:	
At 1 November 1994	77,000
Charge for year	12,000
At 31 October 1995	89,000
NET BOOK VALUE:	
At 31 October 1995	42,000
At 31 October 1994	54,000

Notes to the Financial Statements
for the Year Ended 31 October 1995

9. TANGIBLE FIXED ASSETS

	Buildings	Improvements to property	Plant and machinery
	£	£	£
COST:			
At 1 November 1994	810,976	4,531	22,861
Additions	20,444	-	8,134
At 31 October 1995	831,420	4,531	30,995
DEPRECIATION:			
At 1 November 1994	57,930	2,598	12,623
Charge for year	16,628	387	3,674
At 31 October 1995	74,558	2,985	16,297
NET BOOK VALUE:			
At 31 October 1995	756,862	1,546	14,698
At 31 October 1994	753,047	1,933	10,238

	Fixtures and fittings	Motor vehicles	Horse	Totals
	£	£	£	£
COST:				
At 1 November 1994	90,644	71,174	16,547	1,016,733
Additions	2,575	20,978	-	52,131
Disposals	-	(3,502)	-	(3,502)
At 31 October 1995	93,219	88,650	16,547	1,065,362
DEPRECIATION:				
At 1 November 1994	17,340	39,921	2,757	133,169
Charge for year	7,588	12,693	3,447	44,417
Eliminated on disposals	-	(2,044)	-	(2,044)
At 31 October 1995	24,928	50,570	6,204	175,542
NET BOOK VALUE:				
At 31 October 1995	68,291	38,080	10,343	889,820
At 31 October 1994	73,304	31,253	13,790	883,565

Notes to the Financial Statements
for the Year Ended 31 October 1995

10. FIXED ASSET INVESTMENTS

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

Company name, country of incorporation, nature of business	% holding	Class of shares
Wilson's Bar Limited Scotland Licence holder	100.00	Ordinary
Demor Investments (T.F. Properties) Limited Scotland Property investment	100.00	Ordinary

Investments (neither listed nor unlisted) were as follows:

	31.10.95 £	31.10.94 £
Investment in susidiaries	600	600
Advances to subsidiaries	62,098	63,144
Deposit on lease	10,000	10,000
	72,698	73,744

11. STOCKS

	31.10.95 £	31.10.94 £
Stock	254,865	151,253

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.95 £	31.10.94 £
Trade debtors	11,862	3,449
Other debtors	-	10,775
Prepayments & accrued income	8,663	13,106
Employee loans	31	854
Other loans	16,365	10,000
Wages control account	-	4,666
Directors current account	-	961
	36,921	43,811

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.95 £	31.10.94 £
Bank loans and overdrafts (see note 15)	260,338	182,314
Trade creditors	187,213	256,794
Directors current accounts	344	-
Deposits in advance	715	-
V.A.T.	37,762	25,072
Other taxes & social security	-	6,369
Brewers advances	6,000	6,000
Taxation	37,495	25,059
Accrued expenses	48,492	43,899
	578,359	545,507

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

	31.10.95 £	31.10.94 £
Bank loans (see note 15)	321,431	347,870
Brewers advances	15,500	21,500
	336,931	369,370

15. LOANS AND OVERDRAFTS

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

	31.10.95 £	31.10.94 £
Amounts falling due within one year or on demand:		
Bank overdrafts	216,999	140,983
Bank loans	43,339	41,331
	260,338	182,314
Amounts falling due between one and two years:		
Bank loans	43,339	41,331
Amounts falling due between two and five years:		
Bank loans	130,017	123,993
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	148,075	182,546

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.10.95 £	31.10.94 £
Bank overdrafts	216,999	140,983
Bank loans	364,770	389,201
	581,769	530,184

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 insurance policy on the life of the director. In addition the bank holds a guarantee from Wilsons Bar Limited.

Notes to the Financial Statements
for the Year Ended 31 October 1995

17. PROVISIONS FOR LIABILITIES AND CHARGES

	31.10.95	31.10.94
	£	£
Deferred taxation	29,261	28,066

	Deferred taxation
	£
Balance at 1 November 1994	28,066
Increase in provision	1,195
Balance at 31 October 1995	29,261

18. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.10.95 £	31.10.94 £
25,000	Ordinary	£1	25,000	25,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.10.95 £	31.10.94 £
9,300	Ordinary	£1	9,300	9,300

19. SHARE PREMIUM ACCOUNT

	31.10.95	31.10.94
	£	£
Share premium account	6,200	6,200

20. CAPITAL REDEMPTION RESERVE

	31.10.95	31.10.94
	£	£
Capital redemption reserve	12,400	12,400

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.10.95	31.10.94
	£	£
Profit for the financial year	92,969	50,117
NET ADDITION TO SHAREHOLDERS' FUNDS	92,969	50,117
Opening shareholders' funds	308,708	258,591
CLOSING SHAREHOLDERS' FUNDS	401,677	308,708
Equity interests	401,677	308,708