REGISTERED NUMBER: 61021 (Scotland)

# SCOTT & CO

*Chartered Accountants*

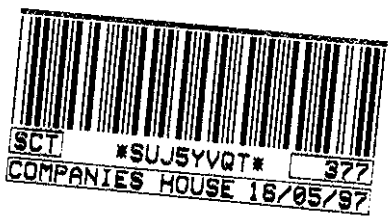
Abbreviated Financial Statements

for the Year Ended 31 October 1996

for

Demor Investments Limited





Demor Investments Limited

Index to the Abbreviated Financial Statements
for the Year Ended 31 October 1996


| | Page |
|---|---|
| Company Information | 1 |
| Report of the Auditors on the Abbreviated Financial Statements | 2 |
| Abbreviated Balance Sheet | 4 |
| Notes to the Abbreviated Financial Statements | 5 |

Company Information
for the Year Ended 31 October 1996

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

Report of the Auditors to
Demor Investments Limited
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated financial statements on pages four to eight together with the full financial statements of Demor Investments Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1996.

Respective responsibilities of director and auditors
The director is responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page four and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion
We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion
In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 October 1996, and the abbreviated financial statements on pages four to eight have been properly prepared in accordance with that Schedule.

Other information
On 3 April 1997 we reported, as auditors of Demor Investments Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1996, and our audit report was as follows:

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

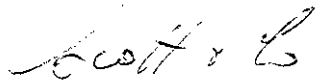
Respective responsibilities of director and auditors
As described on page two the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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.

Report of the Auditors to
Demor Investments Limited
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

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 1996 and of its loss 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: 3 April 1997

Abbreviated Balance Sheet
31 October 1996

| | Notes | 31.10.96 £ | 31.10.96 £ | 31.10.95 £ | 31.10.95 £ |
|---|---|---|---|---|---|
| FIXED ASSETS: | | | | | |
| Intangible assets | 2 | | 30,000 | | 42,000 |
| Tangible assets | 3 | | 830,420 | | 889,820 |
| Investments | 4 | | 177,015 | | 72,698 |
| | | | 1,037,435 | | 1,004,518 |
| CURRENT ASSETS: | | | | | |
| Stocks | | 207,815 | | 254,865 | |
| Debtors | | 39,181 | | 36,921 | |
| Cash at bank and in hand | | 32,047 | | 49,924 | |
| | | 279,043 | | 341,710 | |
| CREDITORS: Amounts falling due within one year | 5 | 621,087 | | 578,359 | |
| NET CURRENT LIABILITIES: | | | (342,044) | | (236,649) |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | | 695,391 | | 767,869 |
| CREDITORS: Amounts falling due after more than one year | 5 | | (303,426) | | (336,931) |
| PROVISIONS FOR LIABILITIES AND CHARGES: | | | (25,412) | | (29,261) |
| | | | £366,553 | | £401,677 |
| CAPITAL AND RESERVES: | | | | | |
| Called up share capital | 6 | | 9,300 | | 9,300 |
| Share premium | | | 6,200 | | 6,200 |
| Capital redemption reserve | | | 12,400 | | 12,400 |
| Profit and loss account | | | 338,653 | | 373,777 |
| Shareholders' funds | | | £366,553 | | £401,677 |

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the director, the company is entitled to the benefit of those exemptions as a small company.

ON BEHALF OF THE BOARD:

D R LeMarquand - DIRECTOR

Approved by the Board on .....2/4/97...

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1996

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.

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1996

2. INTANGIBLE FIXED ASSETS

| | Total |
|---|---|
| | £ |
| COST: | |
| At 1 November 1995 and 31 October 1996 | 131,000 |
| AMORTISATION: | |
| At 1 November 1995 | 89,000 |
| Charge for year | 12,000 |
| At 31 October 1996 | 101,000 |
| NET BOOK VALUE: | |
| At 31 October 1996 | 30,000 |
| At 31 October 1995 | 42,000 |

3. TANGIBLE FIXED ASSETS

| | Total |
|---|---|
| | £ |
| COST: | |
| At 1 November 1995 | 1,065,362 |
| Additions | 88,133 |
| Disposals | (24,655) |
| Transfer to subsidiary company | (107,359) |
| At 31 October 1996 | 1,021,481 |
| DEPRECIATION: | |
| At 1 November 1995 | 175,543 |
| Charge for year | 37,319 |
| Eliminated on disposals | (11,678) |
| Transfer to subsidiary company | (10,123) |
| At 31 October 1996 | 191,061 |
| NET BOOK VALUE: | |
| At 31 October 1996 | 830,420 |
| At 31 October 1995 | 889,820 |

4. FIXED ASSET INVESTMENTS

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

Wilson's Bar Limited
Nature of business: Licence holder

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1996

Demor Investments (T.F. Properties) Limited
Nature of business: Property investment

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

Investments (neither listed nor unlisted) were as follows:

| | 31.10.96 £ | 31.10.95 £ |
|---|---|---|
| Investment in susidiaries | 600 | 600 |
| Advances to subsidiaries | 166,415 | 62,098 |
| Deposit on lease | 10,000 | 10,000 |
| | 177,015 | 72,698 |

5. CREDITORS

The following secured debts are included within creditors:

| | 31.10.96 £ | 31.10.95 £ |
|---|---|---|
| Bank overdrafts | 251,244 | 216,999 |
| Bank loans | 337,265 | 364,770 |
| | 588,509 | 581,769 |

Creditors include the following debts falling due in more than five years:

| | 31.10.96 £ | 31.10.95 £ |
|---|---|---|
| Repayable by instalments | | |
| Bank loans | 120,570 | 148,075 |

6. CALLED UP SHARE CAPITAL

Authorised:

| Number: | Class: | Nominal value: | 31.10.96 £ | 31.10.95 £ |
|---|---|---|---|---|
| 25,000 | Ordinary | £1 | 25,000 | 25,000 |

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.10.96 £ | 31.10.95 £ |
|---|---|---|---|---|
| 9,300 | Ordinary | £1 | 9,300 | 9,300 |

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1996

7. TRANSACTIONS WITH DIRECTOR

During the year the company purchased a property from the director for a consideration of £71,000.