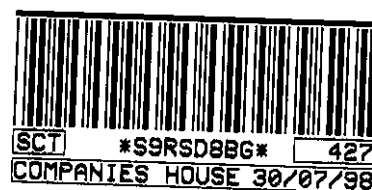


$A^2 + B$

P B DEVELOPMENT COMPANY LIMITED
(Company Number: 97813)

DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS

30 JUNE 1997



Anderson Anderson & Brown
Chartered Accountants

P B DEVELOPMENT COMPANY LIMITED
DIRECTORS' REPORT

A²+B

Directors: J Clarkson
S A Clarkson

Secretaries: Clark & Wallace

Registered office: 14 Albyn Place, Aberdeen

The directors submit their report and the audited accounts of the company for the year ended 30 June 1997.

RESULTS AND DIVIDENDS

The profit for the year, amounting to £598,112 (1996 - £51,990), has been dealt with as shown in the profit and loss account. No dividend is proposed.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company consists of the provision of catering foods and drinks and discotheque entertainment.

During the year, the company opened a new bar facility at Rosemount Place, Aberdeen and sold a bar facility in Union Street. The directors are confident that the company will maintain the current level of turnover.

FIXED ASSETS

The significant additions to tangible fixed assets during the year arose principally from the purchase and refurbishment of additional heritable property totalling £293,839.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year ended 30 June 1997 were as noted above.

According to the register maintained as required under the Companies Act 1985, the directors' interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	30 June 1997	30 June 1996
J Clarkson	1	1
S A Clarkson	9	1

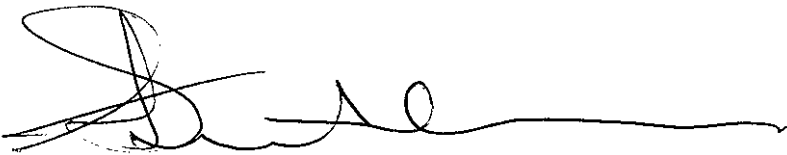
P B DEVELOPMENT COMPANY LIMITED
DIRECTORS' REPORT (continued)

A²+B

AUDITORS

Anderson Anderson & Brown have expressed their willingness to continue in office and a resolution proposing their re-appointment as auditors will be submitted at the annual general meeting.

By order of the board

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a long horizontal line.

Director

P B DEVELOPMENT COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

$A^2 + B$

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. They are 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.

A²+B

ANDERSON
ANDERSON
& BROWN

CHARTERED
ACCOUNTANTS

**AUDITORS' REPORT TO THE DIRECTORS OF P B DEVELOPMENT COMPANY
LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 17 together with the full accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 30 June 1997.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether or not the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we considered necessary to discharge our responsibilities set out above. 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 accounts.

Opinion on the abbreviated accounts

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 June 1997 and the abbreviated accounts on pages 5 to 17 have been properly prepared in accordance therewith.

Anderson Anderson & Brown

Registered Auditors
Aberdeen

29 July 1998.

P B DEVELOPMENT COMPANY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997

$A^2 + B$

	Note	£	1997 £	1996 £
OPERATING PROFIT	2			
Continuing operations		109,306		40,178
Discontinued operations		<u>28,547</u>		<u>120,426</u>
			137,853	160,604
Profit on sale of trading entity			556,338	-
Interest receivable			2,736	6
Interest payable and similar charges	3		<u>(83,945)</u>	<u>(85,137)</u>
PROFIT BEFORE TAXATION			612,982	75,473
Taxation	4		<u>14,870</u>	<u>23,483</u>
PROFIT AFTER TAXATION			<u>£ 598,112</u>	<u>£ 51,990</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for year	598,112	51,990
Prior year adjustments (Note 16)	<u>-</u>	<u>42,395</u>
	<u>£ 598,112</u>	<u>£ 94,385</u>

Movements on reserves are set out in Note 15.

P B DEVELOPMENT COMPANY LIMITED
ABBREVIATED BALANCE SHEET - 30 JUNE 1997

²
A + B

	Note	1997 £	Restated 1996 £
FIXED ASSETS			
Tangible assets	5	2,104,312	1,953,844
Investment	6	<u>1,100</u>	<u>1,100</u>
		<u>2,105,412</u>	<u>1,954,944</u>
CURRENT ASSETS			
Stocks	7	37,063	41,518
Debtors	8	427,066	259,166
Cash at bank and in hand		<u>20,486</u>	<u>50,677</u>
		484,615	351,361
CREDITORS: amounts falling due within one year	9	<u>910,419</u>	<u>1,109,188</u>
NET CURRENT LIABILITIES		<u>(425,804)</u>	<u>(757,827)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,679,608	1,197,117
CREDITORS: amounts falling due after more than one year	10	887,176	1,014,017
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>64,003</u>	<u>52,791</u>
		<u>£ 728,429</u>	<u>£ 130,309</u>
CAPITAL AND RESERVES			
Called up share capital	14	10	2
Profit and loss account	15	<u>728,419</u>	<u>130,307</u>
SHAREHOLDERS' FUNDS	15	<u>£ 728,429</u>	<u>£ 130,309</u>

The accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 applicable to medium sized companies.

Signed on behalf of the board of directors


 Director - S A Clarkson

29 July 1998 Date

P B DEVELOPMENT COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 1997

A² + B

	Note	1997 £	1996 £
Cash (outflow)/inflow from operating activities	20	(77,155)	466,579
Return on investments and servicing of finance	21	(81,209)	(85,131)
Taxation	21	(4,000)	(24,177)
Capital expenditure	21	<u>434,212</u>	<u>(564,134)</u>
Cash inflow/(outflow) before financing		271,848	(206,863)
Financing - (decrease)/increase in debt	21	<u>(236,293)</u>	<u>142,537</u>
Increase/(decrease) in cash in the year		<u>£ 35,555</u>	<u>£ (64,326)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	1997 £	1996 £
Increase/(decrease) in cash in the year		35,555	(64,326)
Cash inflow/(outflow) from decrease/(increase) in debt and lease financing		<u>236,301</u>	<u>(142,537)</u>
Change in net debt resulting from cash flows		271,856	(206,863)
New finance leases and hire purchase agreements		<u>(140,400)</u>	<u>(42,094)</u>
Movements in net debt in year		131,456	(248,957)
Net debt at 30 June 1996	22	<u>£ (1,298,539)</u>	<u>£ (1,049,582)</u>
Net debt at 30 June 1997	22	<u>£ (1,167,083)</u>	<u>£ (1,298,539)</u>

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Depreciation*

The base stock of cutlery and glassware is not depreciated. The cost of other fixed assets is depreciated by equal instalments over the expected useful lives of the assets as follows:

Heritable property	50 years
Tenant's improvements	length of lease
Furniture, fixtures, fittings and equipment	5-10 years
Motor vehicles	4-5 years

(c) *Stocks*

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

(d) *Deferred taxation*

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

(e) *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The capital element of future payments is treated as a liability and the interest element is charged to the profit and loss account.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

P B DEVELOPMENT COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS - 30 JUNE 1997

A² + B

2. OPERATING PROFIT *is stated after charging:*

	1997 £	1996 £
Operating lease rentals - land and buildings	11,322	42,750
Hire of equipment - plant and machinery	10,582	8,943
Auditors' remuneration - audit services	4,500	4,500
- non audit services	<u>4,200</u>	<u>2,920</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Brewery loan	59,585	70,884
Bank overdraft	10,792	7,000
Hire purchase charges	12,859	6,357
Other interest	<u>709</u>	<u>896</u>
	<u>£ 83,945</u>	<u>£ 85,137</u>

4. TAXATION *charge based on the profit for the year comprises:*

	1997 £	1996 £
Corporation tax	3,658	-
Transfer to deferred taxation	<u>11,212</u>	<u>23,483</u>
	<u>£ 14,870</u>	<u>£ 23,483</u>

P B DEVELOPMENT COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS - 30 JUNE 1997

A² + B

5. TANGIBLE FIXED ASSETS

	Heritable property £	Tenants' improve- ments £	Furniture, fixtures, fittings & equipment £	Motor vehicles £	Base stock, cutlery & glassware £	Total £
COST						
At 30 June 1996	1,551,358	179,962	567,142	129,672	46,352	2,474,486
Additions	251,771	-	42,068	225,615	1,509	520,963
Disposals	-	(179,962)	(94,786)	(128,695)	(10,925)	(414,368)
At 30 June 1997	<u>1,803,129</u>	<u>-</u>	<u>514,424</u>	<u>226,592</u>	<u>36,936</u>	<u>2,581,081</u>
DEPRECIATION						
At 30 June 1996	114,115	56,982	287,018	62,527	-	520,642
Charge for year	32,858	2,408	54,123	41,511	-	130,900
Relating to disposals	-	(59,390)	(78,176)	(37,207)	-	(174,773)
At 30 June 1997	<u>146,973</u>	<u>-</u>	<u>262,965</u>	<u>66,831</u>	<u>-</u>	<u>476,769</u>
Net book values at:						
30 June 1997	<u>£1,656,156</u>	<u>£ -</u>	<u>£ 251,459</u>	<u>£ 159,761</u>	<u>£ 36,936</u>	<u>£2,104,312</u>
30 June 1996	<u>£1,437,243</u>	<u>£ 122,980</u>	<u>£ 280,124</u>	<u>£ 67,145</u>	<u>£ 46,352</u>	<u>£1,953,844</u>

The net book values of motor vehicles and furniture, fixtures, fittings and equipment includes amounts of £158,493 and £21,835 (1996 - £65,321 and £24,565) respectively relating to assets held under finance leases and hire purchase contracts.

The land element of heritable property is not considered material by the directors, therefore the full cost of heritable property is depreciated.

6. INVESTMENT

1997 & 1996

Unlisted investment at cost £ 1,100

7. STOCKS

	1997	1996
Goods for resale	<u>£ 37,063</u>	<u>£ 41,518</u>

P B DEVELOPMENT COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS - 30 JUNE 1997

A² + B

8. DEBTORS

	1997 £	Restated 1996 £
Trade debtors	16,310	30,243
Other debtors	276,785	65,783
Prepayments and accrued income	71,946	104,157
Tax recoverable	360	360
Directors' loan accounts	61,665	58,623
	<u>£ 427,066</u>	<u>£ 259,166</u>

The maximum balance on the directors' loan account during the year was £90,790. There are no formal repayment or interest terms attached to this loan.

9. CREDITORS: *amounts falling due within one year*

	1997 £	1996 £
Bank loans and overdrafts	109,129	174,875
Trade creditors	251,158	547,330
Corporation tax	3,667	4,009
Social security	36,799	55,196
Value added tax	55,605	40,631
Accruals and deferred income	258,179	101,205
Term loan	2,217	-
Loan (see Note 11)	150,852	150,852
Obligations under finance leases and hire purchase contracts (see Note 12)	38,195	35,090
Other creditors	4,618	-
	<u>£ 910,419</u>	<u>£ 1,109,188</u>

P B DEVELOPMENT COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS - 30 JUNE 1997

A²+B

10. CREDITORS: *amounts falling due after more than one year*

	1997 £	Restated 1996 £
Term loan	98,024	-
Loan (see Note 11)	691,498	950,329
Obligations under finance leases and hire purchase contracts (see Note 12)	97,654	38,070
Other creditors	-	25,618
	<u>£ 887,176</u>	<u>£ 1,014,017</u>

11. LOANS

	1997 £	1996 £
<i>Not wholly repayable within five years:</i>		
Carlsberg-Tetley Alloa Limited loan at 6% per annum, repayable in monthly instalments of £5,917 commencing 16 October 1991; revised to £6,716 commencing 15 March 1996	269,565	458,136
Carlsberg-Tetley Alloa Limited loan at 6% per annum, repayable in monthly instalments of £5,855 commencing 15 March 1996	<u>572,785</u>	<u>643,045</u>
	<u>£ 842,350</u>	<u>£ 1,101,181</u>
<i>Amounts repayable by instalments:</i>		
Within five years	754,260	754,260
After five years	<u>88,090</u>	<u>346,921</u>
	842,350	1,101,181
Included in creditors: <i>amounts falling due within one year</i>	<u>150,852</u>	<u>150,852</u>
Included in creditors: <i>amounts falling due after more than one year</i>	<u>£ 691,498</u>	<u>£ 950,329</u>

The loans are secured by a floating charge and standard securities over four of the company's properties.

12. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1997 £	1996 £
<i>Amounts payable:</i>		
Within one year	49,974	40,736
Within two to five years	<u>103,674</u>	<u>42,843</u>
	153,648	83,579
Less: finance charges allocated to future periods	<u>17,799</u>	<u>10,419</u>
	<u>£ 135,849</u>	<u>£ 73,160</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations (Note 9)	38,195	35,090
Non-current obligations (Note 10)	<u>97,654</u>	<u>38,070</u>
	<u>£ 135,849</u>	<u>£ 73,160</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	1997 £	1996 £
<i>Deferred taxation:</i>		
Provision at 30 June 1996	52,791	29,308
Transfer from profit and loss account	<u>11,212</u>	<u>23,483</u>
Provision at 30 June 1997	<u>£ 64,003</u>	<u>£ 52,791</u>
	1997 £	1996 £
<i>Deferred taxation provided is attributable to:</i>		
Accelerated capital allowances	64,003	54,605
Losses carried forward	<u>-</u>	<u>(1,814)</u>
	<u>£ 64,003</u>	<u>£ 52,791</u>

This represents the maximum potential liability.

P B DEVELOPMENT COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS - 30 JUNE 1997

A² + B

14. CALLED UP SHARE CAPITAL

	1997	1996
Authorised:		
Ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>£ 10</u>	<u>£ 2</u>

During the year 8 shares were issued at a cost of £1 each.

**15. RECONCILIATION OF SHAREHOLDERS' FUNDS
AND MOVEMENT ON RESERVES**

	Share capital £	Profit and loss account £	Total £
At 30 June 1995			
As reported	2	35,922	35,924
Prior year adjustment (Note 16)	<u>-</u>	<u>42,395</u>	<u>42,395</u>
As restated	2	78,317	78,319
Profit for year	<u>-</u>	<u>51,990</u>	<u>51,990</u>
At 30 June 1996	2	130,307	130,309
Shares issued in year	8	-	8
Profit for year	<u>-</u>	<u>598,112</u>	<u>598,112</u>
At 30 June 1997	<u>£ 10</u>	<u>£ 728,419</u>	<u>£ 728,429</u>

16. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to accounting errors, and the tax effect of these errors, arising in prior years which have become apparent in the current financial year and have been corrected.

P B DEVELOPMENT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - 30 JUNE 1997

A²+B**17. RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1997 £	1996 £
Operating profit	119,011	157,904
Depreciation	130,900	120,470
Increase in debtors	(167,900)	(63,217)
(Decrease)/increase in creditors	(163,621)	272,322
Decrease/(increase) in stock	<u>4,455</u>	<u>(20,900)</u>
	<u>£ (77,155)</u>	<u>£ 466,579</u>

**18. ANALYSIS OF CASH FLOWS FOR HEADINGS
NETTED IN THE CASH FLOW STATEMENT**

	1997 £	1996 £
Returns on investments and servicing of finance		
Interest received	2,736	6
Interest paid	(71,086)	(78,780)
Interest element of hire purchase rental payments	<u>(12,859)</u>	<u>(6,357)</u>
Net cash outflow from returns on investments and servicing of finance	<u>£ (81,209)</u>	<u>£ (85,131)</u>
Taxation		
UK corporation tax paid	<u>£ (4,000)</u>	<u>£ (24,177)</u>
Capital expenditure		
Purchase of tangible fixed assets	(380,563)	(586,384)
Sale of tangible fixed assets	<u>814,775</u>	<u>22,250</u>
	<u>£ 434,212</u>	<u>£ (564,134)</u>
Financing		
Repayment of loan	(258,831)	(90,580)
Capital element of finance lease rental payments	(77,711)	(42,659)
New secured loans	100,241	275,776
Issue of ordinary share capital	<u>8</u>	<u>-</u>
	<u>£ (236,293)</u>	<u>£ 142,537</u>

P B DEVELOPMENT COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS - 30 JUNE 1997

$A^2 + B$

19. ANALYSIS OF NET DEBT

	At 30 June 1995 £	Cash flow £	At 30 June 1996 £	Cash flow £	At 30 June 1997 £
Cash at bank and in hand	20,172	30,505	50,677	(30,191)	20,486
Bank overdraft	(80,044)	(94,831)	(174,875)	65,746	(109,129)
Brewery loan	(915,985)	(185,196)	(1,101,181)	258,831	(842,350)
Hire purchase agreements	(73,725)	565	(73,160)	(62,689)	(135,849)
Term loan	-	-	-	(100,241)	(100,241)
	<u>£ (1,049,582)</u>	<u>£ (248,957)</u>	<u>£ (1,298,539)</u>	<u>£ 131,456</u>	<u>£ (1,167,083)</u>

20. RELATED PARTIES

Control

Throughout the year the company was controlled by the directors. Details of the directors' interests in the company's share capital are set out in the directors' report.

Transactions

During the year the company had the following transactions with related parties:

Related Party	Transaction	£	Balance of year end £
Cotton House (an entity in which both directors are partners)	Expense recharges	7,435	73,216
Place D'or 413 Ltd (a company in which S Clarkson is a director)	Loan	203,569	203,569

21. CAPITAL COMMITMENTS

	1997	1996
Contracted	<u>£ -</u>	<u>£ 85,000</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - 30 JUNE 1997

A²+B

22. FINANCIAL COMMITMENTS

At 30 June 1997 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	1997	1996
Operating leases which expire in over five years	<u>£ -</u>	<u>£ 42,750</u>