

Registration number SC 200081

Rosemount Pub Co Limited
Directors' report and financial statements
for the year ended 30 June 2003

A S FISHER & CO
CHARTERED ACCOUNTANTS
Glasgow



Rosemount Pub Co Limited

Company information

Directors	H S Fields C Bruce M Fields
Secretary	H S Fields
Company number	SC 200081
Registered office	5 Fitzroy Place Glasgow G3 7RH
Auditors	A S Fisher & Co 160 Hope Street Glasgow G2 2TJ

Rosemount Pub Co Limited

Directors' report for the year ended 30 June 2003

The directors present their report and the financial statements for the year ended 30 June 2003.

Principal activity and review of the business

The principal activity of the company consisted of the wholesale of alcohol and other drinks.

Results and dividends

The results for the year are set out on page 5.

The directors have paid an interim dividend amounting to £150,000 and they do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	30/06/03	01/07/02
H S Fields	-	45
C Bruce	-	10
M Fields	-	-

At 30 June 2003, H S Fields held 45,200 and C Bruce held 5,022 shares in Rosemount Group plc.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 to enable them to ensure that the financial statements 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.

Rosemount Pub Co Limited

**Directors' report
for the year ended 30 June 2003**

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that A S Fisher & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 23 April 2004 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'H S Fields', written over the printed name.

**H S Fields
Secretary**

Rosemount Pub Co Limited

Independent auditors' report to the shareholders of Rosemount Pub Co Limited

We have audited the financial statements of Rosemount Pub Co Limited for the year ended 30 June 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgements made by the directors 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.

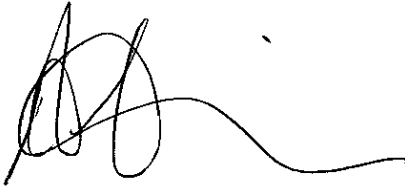
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Rosemount Pub Co Limited

Independent auditors' report to the shareholders of Rosemount Pub Co Limited continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

**A S Fisher & Co
Chartered Accountants and
Registered Auditor**

**160 Hope Street
Glasgow
G2 2TJ**

23 April 2004

Rosemount Pub Co Limited

**Profit and loss account
for the year ended 30 June 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
Turnover	2	1,096,778	840,208
Cost of sales		(803,873)	(602,148)
Gross profit		292,905	238,060
Administrative expenses		(178,880)	(102,817)
Operating profit	3	114,025	135,243
Profit on sale of fixed assets		104,728	-
Profit on ordinary activities before interest		218,753	135,243
Other interest receivable and similar income	4	2,996	2,369
Interest payable and similar charges	5	(5,542)	(8,435)
Profit on ordinary activities before taxation		216,207	129,177
Tax on profit on ordinary activities	7	(21,300)	(44,700)
Profit on ordinary activities after taxation		194,907	84,477
Dividends	8	(150,000)	-
Retained profit for the year		44,907	84,477
Retained profit brought forward		150,693	66,216
Retained profit carried forward		195,600	150,693

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 14 form an integral part of these financial statements.

Rosemount Pub Co Limited

**Balance sheet
as at 30 June 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		80,708		251,973
Current assets					
Stocks	10	22,404		20,152	
Debtors	11	103,716		19,486	
Cash at bank and in hand		126,095		135,644	
		<u>252,215</u>		<u>175,282</u>	
Creditors: amounts falling due within one year	12	<u>(133,987)</u>		<u>(162,847)</u>	
Net current assets			<u>118,228</u>		<u>12,435</u>
Total assets less current liabilities			198,936		264,408
Creditors: amounts falling due after more than one year	13		(3,236)		(108,915)
Provisions for liabilities and charges	14		-		(4,700)
Net assets			<u>195,700</u>		<u>150,793</u>
Capital and reserves					
Called up share capital	16		100		100
Profit and loss account			195,600		150,693
Equity shareholders' funds	17		<u>195,700</u>		<u>150,793</u>

The financial statements were approved by the Board on 23 April 2004 and signed on its behalf by


H S Fields
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Rosemount Pub Co Limited

Notes to the financial statements for the year ended 30 June 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Gross rents receivable are included in turnover on an accruals basis. Provision is made for any rents due which are not considered recoverable.

1.3. Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	No depreciation charged
Fixtures, fittings and equipment	-	20% Reducing balance
Motor vehicles	-	25% Reducing balance

It is company policy to maintain its freehold premises to an acceptable standard in order to protect their trade. Such properties have maintained residual disposal values in the aggregate at least equal to their book values and accordingly no provision for depreciation is made.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Deferred taxation

Deferred tax is provided in respect of all timing differences that have arisen but not reversed at the balance sheet date based on tax rates enacted at the balance sheet date. In accordance with FRS 19, deferred tax is not recognised on revaluation gains.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Rosemount Pub Co Limited

**Notes to the financial statements
for the year ended 30 June 2003**

..... continued

3. Operating profit	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	<u>29,605</u>	<u>12,864</u>
4. Interest receivable and similar income	2003	2002
	£	£
Bank interest	<u>2,996</u>	<u>2,369</u>
5. Interest payable and similar charges	2003	2002
	£	£
On loans and overdrafts	<u>5,542</u>	<u>8,435</u>
6. Employees		
Number of employees	2003	2002
The average monthly numbers of employees (including the directors) during the year were:		
Directors	1	1
Employees	<u>7</u>	<u>7</u>
	<u>8</u>	<u>8</u>
Employment costs	2003	2002
	£	£
Wages and salaries	85,861	53,042
Social security costs	<u>7,818</u>	<u>2,529</u>
	<u>93,679</u>	<u>55,571</u>
6.1. Directors' emoluments	2003	2002
	£	£
Remuneration and other emoluments	<u>36,000</u>	<u>12,000</u>

Rosemount Pub Co Limited

Notes to the financial statements for the year ended 30 June 2003

..... continued

7. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax	26,000	40,000
Deferred tax		
Timing differences, origination and reversal	(4,700)	4,700
Tax on profit on ordinary activities	<u>21,300</u>	<u>44,700</u>

Factors affecting tax charge for period

The tax assessed for the period is different than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>216,207</u>	<u>129,177</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (30 June 2002 : 30%)	41,079	38,753
Effects of:		
Gain on sale of inter group assets	(19,898)	-
Depreciation for year in excess of capital allowances	4,819	1,247
Current tax charge for period	<u>26,000</u>	<u>40,000</u>

8. Dividends

	2003 £	2002 £
Dividends on equity shares:		
Ordinary shares - interim paid	<u>150,000</u>	<u>-</u>

Rosemount Pub Co Limited

**Notes to the financial statements
for the year ended 30 June 2003**

..... continued

9. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2002	185,420	61,172	36,705	283,297
Additions	-	2,350	68,847	71,197
Disposals	(185,420)	(50,678)	(11,595)	(247,693)
At 30 June 2003	<u>-</u>	<u>12,844</u>	<u>93,957</u>	<u>106,801</u>
Depreciation				
At 1 July 2002	-	24,680	6,644	31,324
On disposals	-	(28,268)	(6,568)	(34,836)
Charge for the year	-	9,030	20,575	29,605
At 30 June 2003	<u>-</u>	<u>5,442</u>	<u>20,651</u>	<u>26,093</u>
Net book values				
At 30 June 2003	<u>-</u>	<u>7,402</u>	<u>73,306</u>	<u>80,708</u>
At 30 June 2002	<u>185,420</u>	<u>36,492</u>	<u>30,061</u>	<u>251,973</u>

Asset description	2003 Net book value £	Depreciation charge £	2002 Net book value £	Depreciation charge £
Motor vehicles	<u>17,655</u>	<u>5,885</u>	<u>23,540</u>	<u>1,570</u>
10. Stocks			2003 £	2002 £
Finished goods and goods for resale			<u>22,404</u>	<u>20,152</u>

Rosemount Pub Co Limited

**Notes to the financial statements
for the year ended 30 June 2003**

..... continued

11. Debtors	2003	2002
	£	£
Trade debtors	15,280	16,831
Amounts owed by group undertakings	82,794	-
Prepayments and accrued income	5,642	2,655
	<u>103,716</u>	<u>19,486</u>
	<u>103,716</u>	<u>19,486</u>
 12. Creditors: amounts falling due within one year	 2003	 2002
	£	£
Bank loan	-	18,625
Net obligations under finance leases and hire purchase contracts	8,316	8,316
Trade creditors	64,778	59,537
Amounts owed to group undertaking	12,508	-
Corporation tax	26,000	40,000
Other taxes and social security costs	12,441	11,417
Other creditors	-	20,000
Accruals and deferred income	9,944	4,952
	<u>133,987</u>	<u>162,847</u>
	<u>133,987</u>	<u>162,847</u>

Rosemount Pub Co Limited

**Notes to the financial statements
for the year ended 30 June 2003**

..... continued

13. Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loan	-	97,363
Net obligations under finance leases and hire purchase contracts	3,236	11,552
	<u>3,236</u>	<u>108,915</u>
Loans		
Repayable in one year or less, or on demand (Note 12)	-	18,625
Repayable between one and two years	-	24,000
Repayable between two and five years	-	50,500
Repayable in five years or more	-	22,863
	<u>-</u>	<u>115,988</u>
Repayable in five years or more:		
Bank loan	-	22,863
	<u>-</u>	<u>22,863</u>

14. Provisions for liabilities and charges

	Deferred taxation (Note 15) £	Total £
At 1 July 2002	4,700	4,700
Movements in the year	(4,700)	(4,700)
At 30 June 2003	<u>-</u>	<u>-</u>

Rosemount Pub Co Limited

Notes to the financial statements for the year ended 30 June 2003

..... continued

15. Provision for deferred taxation	2003	2002
	£	£
Accelerated capital allowances	-	4,700
	<u> </u>	<u> </u>
Provision at 1 July 2002	4,700	
Deferred tax charge in profit and loss account	(4,700)	
	<u> </u>	
Provision at 30 June 2003	-	
	<u> </u>	
 16. Share capital	 2003	 2002
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
 17. Reconciliation of movements in shareholders' funds	 2003	 2002
	£	£
Profit for the year	194,907	84,477
Dividends	(150,000)	-
	<u> </u>	<u> </u>
	44,907	84,477
Opening shareholders' funds	150,793	66,316
	<u> </u>	<u> </u>
Closing shareholders' funds	195,700	150,793
	<u> </u>	<u> </u>

18. Related party transactions

During the year the company transferred assets totalling £185,420 to its sister company Rosemount Taverns Limited. At 30th June 2003 the balance due by Rosemount Taverns Limited was £82,794.

Both of these companies were wholly owned by Rosemount Group Plc, a company controlled by Mr H S Fields. Mr Fields is also a director of both Rosemount Pub Co Limited and Rosemount Taverns Limited.

Rosemount Pub Co Limited

**Notes to the financial statements
for the year ended 30 June 2003**

..... continued

19. Ultimate parent undertaking

The company's ultimate holding company is Rosemount Group Plc, which is incorporated in Scotland.