

T C Foxcroft
M Jones
S McDermott
R Newsham
C Rees
A D Towers
C B Woods

REPORT OF THE DIRECTORS

The Directors present their report together with the audited accounts of the company for the year ended 31st December 1986.

PRINCIPAL ACTIVITY

The principal activity of the company is that of providing social and recreational facilities to members.

RESULTS AND DIVIDENDS

The results for the year are set out in the Profit and Loss Account. No dividend was paid during the year and the Directors recommend that no dividend be paid on ordinary shares.

FIXED ASSETS

Movements in fixed assets during the year are set out in Note 3.

MARKET VALUE OF FREEHOLD LAND AND BUILDINGS

The freehold land and buildings are largely used in the company's business and to provide rental income. The directors are of the opinion that the market value is not less than £45,000 in accordance with Messrs Pye Wilson's valuation in October 1987 (see note 4).

DIRECTORS AND THEIR SHARE INTERESTS

Directors during the year and their share interests were:

T C Foxcroft	5
M Jones	5
S McDermott	5
R Newsham	5
C Rees	5
A D Towers	5
C B Woods	5
R Roe	5

The directors retiring by rotation are Mr T C Foxcroft and Mr M Jones who do not offer themselves for re-election, and two vacancies on the Board will be filled at the next Annual General Meeting.

MUTUAL COMPANY

Under the Corporation Taxes Act the Company is treated as a Mutual Company.

SUBSTANTIAL SHAREHOLDERS

No person has an interest of 5% or more in the Share Issue.

AUDITORS

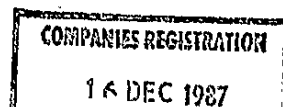
Under Section 384 of the Companies Act 1985 the auditors, Colman Whittaker & Roscow, retire and offer themselves for re-appointment.

By Order of the Board

M Povey

Secretary

13th November 1987



THE CARNFORTH AND DISTRICT CONSERVATIVE CLUB COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF THE CARNFORTH AND DISTRICT
CONSERVATIVE CLUB COMPANY LIMITED

We have audited the Financial Statements in accordance with approved Auditing Standards and have carried out such procedures as we considered necessary.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the Directors. Where independent confirmation of the completeness of the accounting records was, therefore, not available we have accepted assurances from the Directors that all the Company's transactions have been reflected in the accounts.

Subject to the foregoing in our opinion the Financial Statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company as at 31st December 1986 and of the loss and movement of funds for the year ended on that date and comply with the Companies Act 1985.

COLMAN WHITTAKER & ROSCOW
CHARTERED ACCOUNTANTS
THE CLOSE
QUEEN SQUARE
LANCASTER

13th November 1987

THE CARNFORTH AND DISTRICT CONSERVATIVE CLUB COMPANY LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1986

	<u>1986</u>	<u>1987</u>
Sales	17318	16001
<u>Less Purchases</u>	<u>13921</u>	<u>12813</u>
<u>GROSS PROFIT FOR THE YEAR</u>	(19.6%) 3397	(19.9%) <u>3188</u>
<u>OTHER INCOME</u>		
Subscriptions	167	<u>172</u>
Fruit and Amusement Machines	3283	3830
<u>Less Rental and Licence</u>	<u>1444</u>	<u>1414</u>
	1839	<u>2416</u>
Billiards	650	726
<u>Less Expenses</u>	<u>324</u>	<u>342</u>
	326	<u>384</u>
Pool	19	18
Visitors' Fees	4	2
Discount Contribution from Brewery Company	12	178
	<u>5764</u>	<u>6358</u>
<u>Less Expenditure (see page 4)</u>	<u>11262</u>	<u>6370</u>
Operating Loss	(5498)	<u>(12)</u>
Rents Receivable	2132	1252
<u>Less Expenses</u>	<u>2231</u>	<u>294</u>
	(99)	<u>958</u>
<u>(Loss)/Profit on Ordinary Activities Before Taxation</u>	<u>(5597)</u>	<u>946</u>
Taxation	-	287
<u>(LOSS)/PROFIT FOR THE YEAR</u>	<u>(5597)</u>	<u>659</u>

STATEMENT OF RETAINED PROFITS

Retained Profits at 1st January 1986		
Revenue Reserve	4213	3554
(Loss)/Profit for the Year	<u>(5597)</u>	<u>659</u>
<u>Adverse Balance at 31st December 1986</u>	<u>(1384)</u>	<u>4213</u>

THE CARNFORTH AND DISTRICT CONSERVATIVE CLUB COMPANY LIMITEDEXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 1936

	<u>1986</u>	<u>1985</u>
<u>WAGES AND NATIONAL INSURANCE</u>	3591	3552
<u>PREMISES</u>		
Rates and Water	610	540
Lighting and Heating	831	847
Cleaning Materials	68	81
Insurance	<u>416</u>	<u>297</u>
	1925	<u>1765</u>
<u>ADMINISTRATION</u>		
Accountancy	125	100
Audit Fee	125	75
Company Fees	20	65
Telephone	199	145
Printing, Stationery and Postages	<u>53</u>	<u>20</u>
	522	<u>405</u>
<u>REPAIRS AND MAINTENANCE OF FIXED ASSETS</u>	4184	<u>131</u>
<u>DEPRECIATION OF FIXED ASSETS</u> (note 4)	210	<u>92</u>
<u>OTHER EXPENDITURE</u>		
Performing Rights Licence	28	26
Television Rental and Licence	151	141
Subscriptions	36	45
Sundry Expenses	184	213
Loan Interest	<u>431</u>	<u>-</u>
	830	<u>425</u>
	<u>11262</u>	<u>6370</u>

THE CARNFORTH AND DISTRICT CONSERVATIVE CLUB COMPANY LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1986

	<u>1986</u>	<u>1985</u>
<u>ASSETS EMPLOYED</u>		
<u>FIXED ASSETS</u>		
Tangible Assets (note 4)	46630	<u>2253</u>
<u>CURRENT ASSETS</u>		
Stock	1006	1292
Debtors and Prepayments due within one year	1332	267
Cash at Bank and in Hand	<u>3238</u>	<u>4488</u>
	5566	<u>6047</u>
<u>DEDUCT CURRENT LIABILITIES</u>		
Trade Creditors and Accruals falling due within one year	2368	2082
Corporation Tax	-	287
	<u>2368</u>	<u>2369</u>
<u>NET CURRENT ASSETS</u>	3198	<u>3678</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	49828	5931
<u>CREDITORS</u> falling due after more than one year		
Loans from Brewery Companies (note 3)		
McEwan-Younger Limited	-	750
Samuel Webster & Wilsons Ltd (secured)	<u>20717</u>	-
<u>NET ASSETS</u>	<u>29111</u>	<u>5181</u>
<u>CAPITAL AND RESERVES</u>		
Called up Share Capital (note 5)	968	968
Revaluation Reserve (note 4)	29527	-
Profit and Loss Account - Adverse Balance	<u>(1384)</u>	<u>4213</u>
	<u>29111</u>	<u>5181</u>

For and on behalf of the Board

C B Woods



C Rees



THE CARNFORTH AND DISTRICT CONSERVATIVE CLUB COMPANY LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 1986

	<u>1986</u>	<u>1985</u>
<u>SOURCE OF FUNDS</u>		
(Loss)/Profit on ordinary activities before Tax	(5597)	946
Mortgage Loans received from Brewery Company	22000	-
Adjustment for items not involving the movement of funds		
Depreciation of Fixed Assets	210	92
<u>TOTAL GENERATED FROM OPERATIONS</u>	<u>16613</u>	<u>1038</u>
<u>APPLICATION OF FUNDS</u>		
Purchase of Fixed Assets	1060	-
Taxation Paid	287	201
Loans repaid to Brewery Companies	2033	178
Property Improvements	14000	-
<u>MOVEMENT IN WORKING CAPITAL</u>		
Stocks	(286)	(195)
Debtors and Prepayments	1055	(666)
Cash at Bank and in Hand	(1250)	2048
Creditors	(286)	(528)
	<u>16613</u>	<u>1038</u>

THE CARNFORTH AND DISTRICT CONSERVATIVE CLUB COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1986

1. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared under the historical cost convention in a format to comply with the requirements of the Companies Act 1985.

(b) Turnover

Turnover represents the total amount receivable in the ordinary course of business for goods sold and services provided excluding value added tax.

(c) Depreciation

No depreciation is provided on freehold land and buildings. Other assets are depreciated on a reducing basis at rates which are estimated to reduce them from cost to net realisable value at the end of their effective working life.

~~(d)~~ Stocks

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

(e) Repairs and Maintenance

Expenditure is written off as incurred.

(f) Deferred Taxation

No provision is made for deferred taxation as the Company is not liable to taxation on operating profit, and therefore timing differences do not arise.

2. TAXATION

The Company is not liable to taxation on operating profit.

Taxation is payable on rents receivable, but no liability should arise in the current year as a result of heavy repair expenditure.

	<u>1986</u>	<u>1985</u>
UK corporation tax for the year payable at 29%	-	287

3. LOANS FROM BREWERY COMPANIES

McEwan-Younger Limited

The interest-free loan was repaid during the year.

Samuel Webster & Wilsons Limited

In May and December 1986 two mortgage loans of £12000 and £10000 were advanced, secured on the Club's freehold property, in order for the expenses to be met of improvement, renovation and repair of the club premises, both internal and external.

These loans are repayable by equal instalments of capital and interest over the next ten years.

THE CARNFORTH AND DISTRICT CONSERVATIVE CLUB COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1986 (continued)

4. FIXED ASSETS

Tangible Assets

	<u>Freehold Land and Buildings</u>	<u>Furniture and Fittings</u>	<u>Equipment</u>	<u>Total</u>
<u>Cost of Revaluation</u>				
at 1st January 1986	1473	2131	204	3808
Additions in the year	14000	610	450	15060
Transfer to Revaluation Reserve	29527	-	-	29527
At 31st December 1986	45000	2741	654	48395
<u>Depreciation</u>				
At 1st January 1986	-	1430	125	1555
Charge for year	-	131	79	210
At 31st December 1986	-	1561	204	1765
<u>Net Book Value</u>				
At 31st December 1986	45000	1180	450	46630
At 31st December 1985	1473	701	79	2253

The land and buildings were professionally revalued in October 1987 by Messrs Pye Wilson, Chartered Surveyors, in the sum of £45,000, and the excess over cost price of £29,527 has been transferred to revaluation reserve.

The Directors do not consider it necessary to depreciate land and buildings as they consider that the asset value is not less than the Balance Sheet figure.

5. SHARE CAPITAL

	<u>1986</u>	<u>1985</u>
Ordinary Shares of £1 each		
Authorised	2000	2000
Issued and Fully Paid	968	968

6. DIRECTORS AND EMPLOYEES

No Director received any remuneration or benefits during the year in respect of services as directors.

During the year the average number of employees other than directors employed by the company was three, all of whom were part-time.

7. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities at 31st December 1986.