

AMENDING

**Brent Walker Breweries
(Hartlepool) Limited**

Directors' report and financial statements

31 December 1993

Registered number 42567



Brent Walker Breweries (Hartlepool) Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1 - 2
Statement of directors' responsibilities	3
Auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes	8 - 10

Brent Walker Breweries (Hartlepool) Limited

Directors' report

The directors present their annual report and the revised audited financial statements for the financial year ending 31 December 1993.

Revised financial statements

Under section 245 of the Companies Act 1985 the directors have the authority to revise the financial statements if they do not comply with the Act. These revised financial statements have been amended in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 1990 and in accordance therewith do not take account of events which have taken place after 26 September 1994 when the original financial statements were approved.

These revised financial statements replace the original financial statements and are now the statutory financial statements for the financial year ended 31 December 1993.

The financial statements have been amended to disclose the authorised share capital of the company which was incorrectly stated in the original financial statements.

Principal activities and business review

The company has not traded during the year.

Legal title to certain public houses and unlicensed properties was transferred to Pubmaster Limited by a Transfer Deed dated 23 June 1993.

Dividend

The directors do not recommend the payment of a dividend (1992: £Nil).

Directors and directors' interests

The directors who held office during the year were as follows:

FEJG Brackenbury
KG Dibble
JR Sands

JR Sands retires by rotation and being eligible offers himself for re-election.

None of the directors had any beneficial interest in the shares of the company at any time during the year.

The interests of FEJG Brackenbury in the shares of The Brent Walker Group PLC are disclosed in that company's financial statements.

Brent Walker Breweries (Hartlepool) Limited

Directors' report *(continued)*

Directors and directors' interests *(continued)*

The other directors who held office at the end of the financial year had the following interests in the ordinary shares of 10p each and/or options to purchase ordinary shares of 10p each under Executive or Staff Share Option Schemes in The Brent Walker Group PLC.

	Interest at end of year			Interest at beginning of year or date of appointment		
	Warrants	Shares	Options	Warrants	Shares	Options
JR Sands	-	-	10,000	-	-	10,000
KG Dibble	7,500	15,000	35,462	7,500	15,000	38,000

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



A Cross
Secretary

26/9/95

Greenbank
Hartlepool
Cleveland
TS24 7QS

Brent Walker Breweries (Hartlepool) Limited

Statement of 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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.



Northgate House
St Augustines Way
Darlington
Co Durham DL1 1UZ

Report of the auditors to the members of Brent Walker Breweries (Hartlepool) Limited

We have audited the revised financial statements on pages 6 to 10. The revised financial statements replace the original financial statements approved by the directors on 26 September 1994. They have been prepared under the Companies (Revision of Defective Accounts and Report) Regulations 1990 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

Respective responsibilities of directors and auditors

As described on pages 1 and 3 the directors are responsible for the preparation of financial statements.

It is our responsibility to form an independent opinion, based on our audit, on these revised financial statements and to report our opinion to you. We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors.

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 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. The audit of revised financial statements includes the performance of additional procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

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 revised financial statements.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the ability of the group to continue as a going concern. This is subject to considerable uncertainty, as described in note 1 to the financial statements which also explains why the directors nevertheless consider it appropriate to prepare those statements on a going concern basis. Our opinion is not qualified in this respect.



Auditors' report to the members of Brent Walker Breweries (Hartlepool)
Limited (*continued*)

Opinions

In our opinion the revised financial statements give a true and fair view, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 as they have effect under the Companies (Revision of Defective Accounts and Report) Regulations 1990.

In our opinion the original financial statements for the year ended 31 December 1993 failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors in the statement contained in note 6 to these financial statements.

*Chartered Accountants
Registered Auditors*

26/9/95

Brent Walker Breweries (Hartlepool) Limited

Profit and loss account

for the year ended 31 December 1993

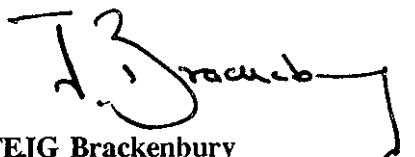
	<i>Note</i>	1993 £000	1992 £000
Profit on ordinary activities before taxation		-	-
Taxation	5	15	-
		<hr/>	<hr/>
Retained profit for the financial year		15	-
		<hr/>	<hr/>

Brent Walker Breweries (Hartlepool) Limited

Balance sheet
at 31 December 1993

	Note	1993 £000	1992 £000
Current asset			
Amount due from parent company		<u>16,952</u>	<u>16,937</u>
Capital			
Called up share capital	6	11,706	11,706
Share premium account		174	174
Profit and loss account		<u>5,072</u>	<u>5,057</u>
		<u>16,952</u>	<u>16,937</u>

The financial statements were approved by the board of directors on 26/9/95 and were signed on its behalf by:


FEJG Brackenbury
Director

Brent Walker Breweries (Hartlepool) Limited

Notes

(forming part of the financial statements)

1 Financial restructuring

As previously reported on 30 March 1992 a series of agreements between the Brent Walker Group PLC and a number of its subsidiary undertakings and certain of its lenders became effective which resulted in the group restructuring its previously existing financing arrangements. The restructured financing arrangements imposed a number of financial covenants and other terms on the group, certain of which were breached during the year.

On 1 March 1994 Brent Walker and its lenders reached agreement to amend the existing lending arrangements to take account of the projected cash flows available to service the indebtedness of Brent Walker and the asset backing to support that indebtedness. The key financial features of these amendments are as follows:

- i an extension of the working capital facilities from 30 March 1994 to 31 December 1997;
- ii an extension of the arrangements whereby interest on the term loan is rolled up into the loan principal and not paid in cash from 31 December 1995 to 31 December 1997;
- iii the introduction of limited solvency support provisions for certain unsecured trade creditors;
- iv amendments to the group's financial covenants; and
- v the waiver of existing breaches of the previous restructured financing agreements.

In addition the William Hill syndicated loan facility which was repayable on 1 March 1994 has been replaced by new bank facilities at that date. The replacement facility is repayable over five years, final maturity being 1 March 1999. The William Hill overdraft facility was also renegotiated and renewed on 1 March 1994.

The financial statements have been prepared on the basis that the group will be able to continue as a going concern. The validity of this basis is dependent upon the group being able to:

- i enter into arrangements whereby the £50 million judgement debt and accrued interest thereon due to Grand Metropolitan PLC (see note 14 to the group's financial statements) and certain other non-restructured debts will not be payable in full on demand but in a manner satisfactory to the group's lenders; and
- ii operate within the available facilities, financial covenants and other terms established under the restructured financing arrangements of the group, including the restructured financing arrangements of William Hill. This is principally reliant on the group being able to generate sufficient cash from the disposal of non core assets during 1994.

The directors have considered the group's ability to fulfil these requirements and consider that the going concern assumption is valid because:

- i legal advice indicates that, given the group's current financial situation and the open offers made pursuant to the refinancing, any attempt by non-restructured creditors to recover outstanding liabilities is unlikely to be successful;

Brent Walker Breweries (Hartlepool) Limited

Notes (continued)

1 Financial structuring (continued)

- ii negotiations are progressing between the group, Brent Walker's lenders and various other lenders to include the non-restructured debts within the restructured financing arrangements; and
- iii the group's current financial projections and asset disposal programme indicate that the group should remain within the available facilities, financial covenants and terms established under the restructured financing arrangements for the foreseeable future;
- iv the directors have received no indication that the group's lenders will not continue to support the group for the foreseeable future.

Should the group be unable to continue trading significant adjustments would have been to be made to reduce the value of the group's assets to their realisable amounts in these different circumstances, to provide for any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities. In this context attention is drawn to note 9 to the group's financial statements which indicates that certain of the group's property assets have been incorporated at carrying values which are significantly in excess of present open market values.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

3 Profit and loss account

During the financial year and the preceding financial year the company did not trade.

4 Directors' emoluments

No directors' emoluments are payable for the year ended 31 December 1993 (1992: £Nil).

5 Taxation

	1993 £000	1992 £000
Adjustment relating to an earlier year - group relief receivable	15	-

Brent Walker Breweries (Hartlepool) Limited

Notes (continued)

6 Called up share capital

	1993 £000	1992 £000
<i>Authorised</i>		
Ordinary shares of 25p each	11,447	11,447
5% preference shares of £1 each	253	253
6% preference shares of £1 each	300	300
	<hr/>	<hr/>
	12,000	12,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of 25p each	11,153	11,153
5% preference shares of £1 each	253	253
6% preference shares of £1 each	300	300
	<hr/>	<hr/>
	11,706	11,706
	<hr/>	<hr/>

The authorised share capital has been restated, it was incorrectly disclosed in the original financial statements.

7 Contingent liabilities

The company is a party to a group bank guarantee. The contingent liability under this group arrangement at 31 December 1993 was £1,040,001,000 (1992: £985,000,000).

8 Ultimate parent company

The company is a subsidiary undertaking of The Brent Walker Group PLC registered in England and Wales.

The group in which the results of the company are consolidated is that headed by The Brent Walker Group PLC. The consolidated accounts are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF4 3HZ.