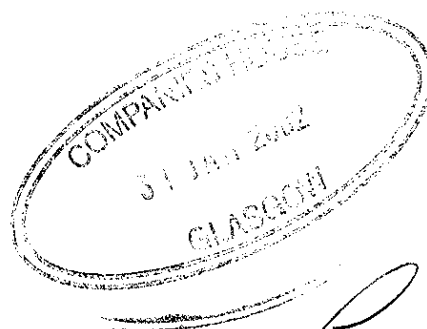


Pub Enterprises Limited**Report and Financial Statements**

Year Ended

31 March 2001

Company number 93587



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Pub Enterprises Limited**Report of the independent auditors**

Independent auditors' report to Pub Enterprises Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company for the year ended 31 March 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

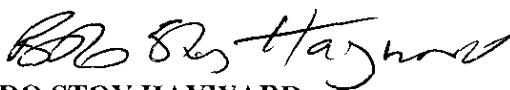
The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.


BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Glasgow

31 January 2002

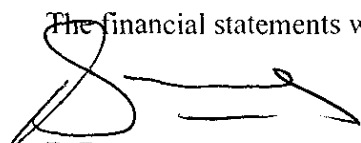
Pub Enterprises Limited

Balance sheet at 31 March 2001

	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	2	306,773	297,363
Current assets			
Stocks		13,032	16,173
Debtors		11,832	2,403
Investments		140,294	122,650
Cash at bank and in hand		352,978	766,054
		<u>518,136</u>	<u>907,280</u>
Creditors: amounts falling due within one year	3	<u>302,079</u>	<u>533,858</u>
Net current assets		<u>216,057</u>	<u>373,422</u>
Total assets less current liabilities		<u>522,830</u>	<u>670,785</u>
Creditors: amounts falling due after more than one year	4	<u>25,832</u>	<u>31,802</u>
Net assets		<u>496,998</u>	<u>638,983</u>
Capital and reserves			
Called up share capital	5	2	3
Share premium account		99,999	99,999
Capital Redemption Reserve		1	-
Profit and loss account		396,996	538,981
Equity shareholders' funds		<u>496,998</u>	<u>638,983</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 31 January 2002.


P. Burns
 Director

The notes on pages 3 to 5 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Turnover

Turnover represents income arising from its principal activity, and is stated net of value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold property	-	straight line over 50 years
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost consists of purchase invoice costs. Net realisable value is based on estimated selling price.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pensions

Contributions to the company's defined contribution pension schemes are charged to the profit and loss account in the year in which they become payable.

Pub Enterprises Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

2 Tangible assets

	Total £
<i>Cost</i>	
At 1 April 2000	328,005
Additions	27,840
	<hr/>
At 31 March 2001	355,845
	<hr/>
<i>Depreciation</i>	
At 1 April 2000	30,642
Provided for the year	18,430
	<hr/>
At 31 March 2001	49,072
	<hr/>
<i>Net Book Value</i>	
At 31 March 2001	306,773
	<hr/> <hr/>
At 31 March 2000	297,363
	<hr/> <hr/>

Included above are assets held under finance leases or hire purchase contracts with net book values as follows:

2001 £	2000 £
31,604	42,138
<hr/> <hr/>	<hr/> <hr/>

3 Creditors: amounts falling due within one year

The bank overdraft amounted to £185,281 at 31 March 2001 (2000 - £136,173).

Pub Enterprises Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

4 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Net obligations under finance lease and hire purchase contracts	25,832	31,802
	<u>25,832</u>	<u>31,802</u>
Included within the above are amounts falling due as follows:		
In 1 - 2 years:		
Finance lease and hire purchase obligations	25,832	5,970
In 2 - 5 years:		
Finance lease and hire purchase obligations	-	25,832
	<u>25,832</u>	<u>31,802</u>

Hire purchase obligations, which total £31,802, including amounts falling due within one year, are secured on the assets being purchased.

5 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2001 £	2000 £	2001 £	2000 £
Ordinary shares of £1 each	100	100	2	3
	<u>100</u>	<u>100</u>	<u>2</u>	<u>3</u>

On 27 September 2000, the company purchased 1 of its own Ordinary shares of £1 each, being one third of the called up share capital, for a total consideration of £130,000.