

Kay's Atlas Brewery P.L.C.

A Subsidiary of
Frederic Robinson Limited
 (The Ultimate Holding Company)
 Incorporated in England



Directors:
 PETER B. ROBINSON LL.B, CHAIRMAN
 DENNIS W. ROBINSON
 DAVID J. ROBINSON, B.Sc.

DIRECTORS' REPORT
 to be presented to the shareholders at
 the one hundred and first Annual General Meeting to be held
 on Monday, 12 February 1996, at 12 noon.

The Directors submit their Report and Audited Financial Statements for the year ended 31 December 1995

Principal Activities

The Company is principally engaged in the ownership of public houses and hotels

Results

The profit for the year attributable to members is:-

	£	£
Preference dividend	2,772	73,183
Ordinary dividend - interim 5% paid	6,250	
Ordinary dividend - second interim 5% proposed	6,250	15,272
Leaving a proposed transfer to reserve of		57,911

No change in the pattern of trading is envisaged in the future.

Directors

The directors named above held office throughout the year. Throughout the financial year and at the date of this report each director held 100 Ordinary Shares each as nominees of the parent company. The directors' interests in the shares of the parent company are shown in the financial statements of that company.

Mr. D.J. Robinson retires by rotation and, being eligible, offers himself for re-election.

Directors' responsibilities for the financial statements

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 judgments and estimates that are reasonable and prudent;
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed Assets - Freehold and Leasehold Properties

The principal item of capital expenditure during the year was the purchase of freehold land amounting to £10,700. In the opinion of the Directors the market value of the Company's properties at the end of the year was in excess of the book amounts but in view of the uncertainty of the property market they are unable to quantify the amount of the excess.

Auditors

Grant Thornton offer themselves for re-appointment as Auditors of the Company in accordance with Section 385(2) of the Companies Act 1985.

Dated this 12 day of January 1996

By Order of the Board,
 P.B. ROBINSON,
 Secretary.

Kay's Atlas Brewery P.L.C.

PROFIT AND LOSS ACCOUNT Year ended 31 December 1995

		1995	1994
	Note	£	£
Turnover	2	100,000	70,000
Costs	3	<u>(2,065)</u>	<u>(3,790)</u>
Operating Profit		97,935	66,210
Investment Income	4	<u>258</u>	<u>258</u>
		98,193	66,468
Exceptional Items	5	<u>0</u>	<u>42,473</u>
Profit on ordinary activities before taxation		98,193	108,941
Tax on profit on ordinary activities	6	<u>(25,010)</u>	<u>(18,093)</u>
Profit on ordinary activities after taxation		73,183	90,848
Dividends	7	<u>(15,272)</u>	<u>(15,272)</u>
Profit retained	13	<u><u>57,911</u></u>	<u><u>75,576</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 1995

The company has had no recognised gains and losses during this year and last year other than the profit for the financial year.

NOTES OF HISTORICAL COST PROFITS AND LOSSES

Year ended 31 December 1995

Profit on a historical cost basis does not differ from the profit as shown in the profit and loss account.

The accounting policies and notes on pages 4 and 5 form part of these financial statements

Kay's Atlas Brewery P.L.C.

BALANCE SHEET at 31 December 1995

		1995		1994	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		774,784		764,085
Investments	10		<u>1,935</u>		<u>1,935</u>
			776,719		766,020
CURRENT ASSETS					
Debtors	11	454,870		400,127	
Cash at Bank		<u>1,752</u>		<u>1,785</u>	
		456,622		401,912	
Less:					
CREDITORS - amounts falling due within one year	12	<u>(33,267)</u>		<u>(25,769)</u>	
NET CURRENT ASSETS			<u>423,355</u>		<u>376,143</u>
TOTAL ASSETS					
LESS CURRENT LIABILITIES			<u>1,200,074</u>		<u>1,142,163</u>
CAPITAL AND RESERVES					
	Authorized	Issued & fully paid			
	£	£			
12,500 3.5% Cumulative Preference Shares of £10 each	125,000	79,190			
12,500 Ordinary Shares of £10 each	<u>125,000</u>	<u>125,000</u>			
	<u>250,000</u>		204,190		204,190
Profit and Loss account	13		<u>995,884</u>		<u>937,973</u>
Shareholders' funds	14		<u>1,200,074</u>		<u>1,142,163</u>
Equity shareholders' funds			1,120,884		1,062,973
Non-equity shareholders' funds			<u>79,190</u>		<u>79,190</u>
			<u>1,200,074</u>		<u>1,142,163</u>

The financial statements were approved by the board on 12 January 1996

P.B. ROBINSON

D.W. ROBINSON

Directors

The accounting policies and notes on pages 4 and 5 form part of these financial statements

Kay's Atlas Brewery P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES - Depreciation

No provision is made for depreciation in respect of freehold properties. It is the practice of Frederic Robinson Limited to maintain adequately the company properties, thereby ensuring that no physical deterioration occurs. As a consequence any element of depreciation would in the opinion of the directors be immaterial.

Long leasehold properties with under 125 years to run are depreciated over the period of the lease in equal installments and the hotel furniture over its useful life.

Capital Gains Tax

No provision has been made in these financial statements for taxation on chargeable gains arising from the disposal of property as it is anticipated the liability for taxation will be postponed by the application of the rollover provisions of the Finance Acts.

Basis of Accounts

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

	1995 £	1994 £
2. TURNOVER		
Turnover represents commission received from F. Robinson Ltd.	<u>100,000</u>	<u>70,000</u>
All the company's activities during the year are classed as continuing. There were no acquisitions during the year.		
3. COSTS		
Auditors' remuneration	1,375	1,375
Directors' emoluments	0	0
Depreciation (Note 9)	1	1
Other charges	689	2,414
Staff costs	<u>0</u>	<u>0</u>
	<u>2,065</u>	<u>3,790</u>
4. INVESTMENT INCOME		
Income from debentures in fellow subsidiary	<u>258</u>	<u>258</u>
5. EXCEPTIONAL ITEMS		
Compensation interest received	0	11
Profit on sale of Fixed Assets	<u>0</u>	<u>42,462</u>
	<u>0</u>	<u>42,473</u>
6. TAX ON PROFIT ON ORDINARY ACTIVITIES		
The taxation charge is based on the profit for the year and is made up as follows:		
U.K. Corporation tax @ 25% (1994 - 25%)	24,697	17,273
Adjustment for earlier years	<u>313</u>	<u>820</u>
	<u>25,010</u>	<u>18,093</u>
TAXATION STATUS		
In the opinion of the Directors the Company is a close company under the provision of Section 414 of the I.C.T.A. 1988.		
7. DIVIDENDS		
Preference Shares of 3.5%	2,772	2,772
Ordinary Shares		
Interim dividend of 5% paid	6,250	6,250
Second interim dividend of 5% proposed	<u>6,250</u>	<u>6,250</u>
	<u>15,272</u>	<u>15,272</u>
8. PREFERENCE SHARES		

The preference shares carry a cumulative right to dividend, but have no rights in the event of a winding up beyond arrears of dividend and repayment of capital. They have no right to vote in general meeting except on the winding up of the company or on the proposed modification of the rights attaching to their preference shares

Kay's Atlas Brewery P.L.C.

9. TANGIBLE ASSETS

	Properties			Hotel
Cost	Total	Freehold	Long Leasehold	Furniture
	£	£	£	£
At 1 January 1995	764,348	749,095	14,987	266
Additions	10,700	10,700	0	0
Sales	0	0	0	0
At 31 December 1995	775,048	759,795	14,987	266
Depreciation				
At 1 January 1995	263	0	0	263
Provided in the year	1	0	0	1
Sales	0	0	0	0
At 31 December 1995	264	0	0	264
Net book amount at 31 December 1995	774,784	759,795	14,987	2
Net book amount at 31 December 1994	764,085	749,095	14,987	3
Depreciable amount at 31 December 1995	2	0	0	2
Non-depreciable amount at 31 December 1995	774,782	759,795	14,987	0

10. INVESTMENTS

This represents an investment in a fellow subsidiary,
Bell & Co. Plc.
4% perpetual first mortgage debenture stock at cost less
amounts written off

Directors' and market valuation

11. DEBTORS

Amount owed by parent company

12. CREDITORS - amounts falling due within one year

Trade creditors

Taxation - advance corporation tax payable

Proposed second interim ordinary dividend

Corporation tax

13. PROFIT AND LOSS ACCOUNT

Balance as at 1 January 1995

Profit for the year

Balance as at 31 December 1995

14. MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for the financial year

Dividends

Shareholders' funds at 1 January 1995

Shareholders' funds at 31 December 1995

15. PARENT COMPANY

The ultimate holding company of this Company is Frederic Robinson Ltd. which is registered in England and Wales.

Kay's Atlas Brewery P.L.C.

Cash Flow Statement

Year Ended 31 December 1995

	1995 £	1994 £
Net cash inflow from operating activities		
Operating profit	97,935	66,210
Depreciation	1	1
(Increase)/Decrease in debtors	(54,743)	13,749
Increase in creditors	75	1,480
	<u>43,268</u>	<u>81,440</u>
Returns on Investments and Servicing of Finance		
Interest received		11
Dividends received	258	258
Dividends paid	(15,272)	(15,272)
	<u>(15,014)</u>	<u>(15,003)</u>
Taxation		
UK Corporation tax paid	<u>(17,587)</u>	<u>(17,742)</u>
Net Cash (Outflow) from Investing Activities		
Purchase/Sale of tangible fixed assets	<u>(10,700)</u>	<u>(47,149)</u>
	<u>(33)</u>	<u>1,546</u>
(Decrease)/Increase in bank balance during the year		
Reconciliation of bank balance movement		
Opening bank balance	1,785	239
Closing bank balance	<u>1,752</u>	<u>1,785</u>
Movement	<u>(33)</u>	<u>1,546</u>

REPORT OF THE AUDITORS TO THE MEMBERS OF

KAY'S ATLAS BREWERY P.L.C.

We have audited the Financial Statements on pages 2 to 6 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

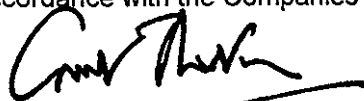
Basis of opinion

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 judgments 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 1995 and of its profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
Registered Auditors
Chartered Accountants

Heron House,
Albert Square,
Manchester M60 8GT

15 January 1996

Kay's Atlas Brewery P.L.C.

Unicorn Brewery, Stockport

**REPORT AND
FINANCIAL STATEMENTS
For the year ended 31 December 1995**

NOTICE is hereby given that the one hundred and first annual general meeting of Kay's Atlas Brewery P.L.C. will be held at the registered office of the Company, Unicorn Brewery, Stockport, on Monday, 12 February 1996 at 12 o'clock noon for the following purposes, viz:-

1. To receive the Directors' Report and Financial Statements for the year ended 31 December 1995
2. To declare a dividend on the ordinary shares of the Company and to fix the date of payment.
3. To re-elect a director.
4. To re-appoint the auditors and authorize the directors to fix their remuneration.
5. To transact any other business that may be legally transacted at an annual general meeting.

Dated this 19 day of January 1996

By order of the Board,

P.B. ROBINSON,
Secretary.

Every member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. the proxy need not also be a member.

Proxies must be lodged at the Company's registered office 48 hours before the time fixed for holding the annual general meeting.