

# ***Kay's Atlas Brewery P.L.C.***

## **FINANCIAL STATEMENTS**

**FOR**

**THE YEAR**

**TO**

**31 DECEMBER 2004**

Company Number 50374



# ***Kay's Atlas Brewery P.L.C.***

## **COMPANY INFORMATION**

**31 December 2004**

COMPANY NUMBER	50374
CHAIRMAN	P. B. Robinson LL.B
OTHER DIRECTORS	D. W. Robinson D. J. Robinson B.Sc
SECRETARY	P. B. Robinson LL.B
REGISTERED OFFICE	Unicorn Brewery Stockport Cheshire SK1 1JJ
BANKERS	NatWest Bank PO Box 13 10 Great Underbank Stockport Cheshire SK1 1LT
SOLICITORS	SAS Lawyers 19/21 Greek Street Stockport SK3 8AB
AUDITORS	Grant Thornton UK LLP Registered Auditors Chartered Accountants Heron House Albert Square Manchester M60 8GT

# Kay's Atlas Brewery P.L.C.

A Subsidiary of

## Frederic Robinson Limited

(The Ultimate Holding Company)

Incorporated in England - Company Number 50374

Directors:

PETER B. ROBINSON, LL.B, CHAIRMAN

DENNIS W. ROBINSON

DAVID J. ROBINSON, B.Sc.

### DIRECTORS' REPORT

The Directors have pleasure in presenting their report and financial statements for the year ended 31 December 2004 to the shareholders at the one hundred and tenth Annual General Meeting to be held on 14 February 2005, at 12 noon.

### Principal Activities

The principal activity of the Company is the ownership of public houses and hotels.

### Results

	£	£
The profit for the year attributable to members is:-		266,253
Preference dividend	3,961	
Ordinary dividend - interim 5% paid	6,250	
Ordinary dividend - second interim 5% proposed	6,250	(16,461)
Leaving a proposed transfer to reserves of		<u>249,792</u>

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

### Directors

The directors, who served the company during the year, were P. B. Robinson, D. W. Robinson and D. J. Robinson. 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. P. B. 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:

- i select suitable accounting policies and then apply them consistently;
- ii make judgements and estimates that are reasonable and prudent;
- iii 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 accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with Companies Act 1985, 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 changes in the Company's fixed assets are included in Note 8. In the opinion of the Directors the market value of the Company's properties at the year end 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

On 1 July 2004, the Grant Thornton partnership converted to a limited liability partnership called Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004. Special notice pursuant to Section 388(3) having been given, a resolution to reappoint Grant Thornton UK LLP will be proposed at the next General Meeting.

Dated this 1st day of February 2005

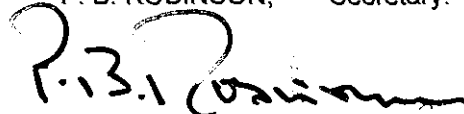
By Order of the Board,

P. B. ROBINSON, Secretary.

Unicorn Brewery,

Stockport,

Cheshire. SK1 1JJ.



# Kay's Atlas Brewery P.L.C.

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2004

		2004	2003
	Note	£	£
Turnover	2	100,000	100,000
Administrative expenses	3	<u>(16,571)</u>	<u>(11,473)</u>
Operating Profit		83,429	88,527
Profit on sale of tangible fixed assets	4	<u>201,264</u>	<u>69,999</u>
		284,693	158,526
Income from fixed asset investments	5	<u>258</u>	<u>258</u>
Profit on ordinary activities before taxation		284,951	158,784
Tax on profit on ordinary activities	6	<u>(18,698)</u>	<u>(18,943)</u>
Profit on ordinary activities after taxation		266,253	139,841
Dividends (Including Non-equity)	7	<u>(16,461)</u>	<u>(16,461)</u>
Profit for the financial year transferred to reserves	13	<u><u>249,792</u></u>	<u><u>123,380</u></u>

All of the activities of the Company are classed as continuing

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 December 2004

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 2004

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 5 to 9 form part of these financial statements

# Kay's Atlas Brewery P.L.C.

BALANCE SHEET at 31 December 2004

		2004		2003	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		1,154,831		1,168,518
Investments	9		<u>1,935</u>		<u>1,935</u>
			1,156,766		1,170,453
<b>CURRENT ASSETS</b>					
Debtors	10	790,772		527,444	
Cash at Bank		<u>2,374</u>		<u>2,096</u>	
		793,146		529,540	
Less:					
<b>CREDITORS</b> - amounts falling due within one year	11	<u>(28,446)</u>		<u>(28,319)</u>	
<b>NET CURRENT ASSETS</b>			<u>764,700</u>		<u>501,221</u>
<b>TOTAL ASSETS</b>					
<b>LESS CURRENT LIABILITIES</b>			<u>1,921,466</u>		<u>1,671,674</u>
<b>CAPITAL AND RESERVES</b>					
	Authorised	Issued &			
	£	fully paid			
	£	£			
12,500 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>1,717,276</u>		<u>1,467,484</u>
Shareholders' funds	14		<u>1,921,466</u>		<u>1,671,674</u>
Equity shareholders' funds			1,842,276		1,592,484
Non-equity shareholders' funds			<u>79,190</u>		<u>79,190</u>
			<u>1,921,466</u>		<u>1,671,674</u>

The financial statements were approved by the directors on 1 February 2005 and are signed on their behalf by

P. B. ROBINSON

Directors

D. W. ROBINSON

The accounting policies and notes on pages 5 to 9 form part of these financial statements

# Kay's Atlas Brewery P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### a) Basis of Accounts

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

#### b) Depreciation

The following rates of depreciation are used to write off the cost of fixed assets over their expected economic life, from the date the asset is brought into use.

	2004	2003
Freehold and Long Leasehold Land	Nil	Nil
Freehold Property - Licensed Premises	Over 50 years	Over 50 years
Long Leasehold Property	Over 50 years	Over 50 years
Fixtures and Fittings	10%	10%

#### Depreciation on Freehold and Long Leasehold Land

Depreciation is not provided on the cost of land. Land costs have been identified where possible from historic records, however most licensed premises have no separate land costs identifiable. Consequently 35% of the remaining total property value has been attributed to land. The remaining 65% of property costs, which will be attributable to buildings, are depreciated over 50 years.

#### Depreciation on Property

Following the introduction by the Accounting Standards Board of FRS 15 relating to Tangible Fixed Assets the company has commenced to depreciate Freehold Property - Licensed premises and Long Leasehold Property as from 1 January 1999 over their useful economic life. The useful economic life of the buildings that form a part of such properties is estimated to be 50 years.

At the end of its 50 year useful economic life Freehold Property - Licensed Premises and Long Leasehold Property is estimated to have a residual value amounting to 40% of its initial cost and accordingly depreciation over the 50 years useful economic life writes down the value of the Freehold Property - Licensed Premises and Long Leasehold Property to its residual value.

#### c) 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.

#### c) Cash Flow Statement

The company is exempt from providing a cash flow statement in the accounts, given that it is a greater than 90% owned subsidiary, where consolidated accounts of the parent company include a cash flow statement.

### 2. TURNOVER

	2004	2003
	£	£
Turnover represents commission received from F. Robinson Ltd.	100,000	100,000

Turnover represents the amount derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax.

All the company's activities during the year are classed as continuing. There were no acquisitions during the year.

### 3. ADMINISTRATIVE EXPENSES

Operating profit is stated after charging administrative expenses

	2004	2003
	£	£
Auditors' remuneration	1,800	1,800
Depreciation (Note 8)	9,606	9,639
Other charges	5,165	34
	<u>16,571</u>	<u>11,473</u>

There were no Director's emoluments or staff costs during the year.

# Kay's Atlas Brewery P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

	2004 £	2003 £
<b>4. PROFIT ON SALE OF TANGIBLE FIXED ASSETS</b>		
Profit on sales of Long Leasehold Property	<u>201,264</u>	<u>69,999</u>
<b>5. INCOME FROM FIXED ASSET INVESTMENTS</b>		
Income from debentures in fellow subsidiary	<u>258</u>	<u>258</u>

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the results for the year and is made up as follows:

U.K. Corporation tax @ 19% (2003 - 19%)	<u>18,698</u>	<u>18,943</u>
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The taxation assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained as follows:

Profit on ordinary activities before taxation	<u>284,951</u>	<u>88,785</u>
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in UK of 19% (2003 19%)	54,141	16,869
Income not taxable and Profit on sale rolled over	(38,240)	0
Expenses not deductible for tax purposes	2,797	2,074
	<u>18,698</u>	<u>18,943</u>

### 7 DIVIDENDS

The following dividends have been proposed and paid in respect of the year

Preference Shares of 5%	3,961	3,961
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>16,461</u>	<u>16,461</u>
Dividends on equity shares	12,500	12,500
Participating dividends	<u>3,961</u>	<u>3,961</u>
	<u>16,461</u>	<u>16,461</u>

### 8 TANGIBLE FIXED ASSETS

	Total	Properties Freehold	Long Leasehold	Fixtures and Fittings
Cost	£	£	£	£
At 1 January 2004	1,216,995	1,208,036	8,693	266
Disposal in year	(4,246)	(4,246)	0	0
At 31 December 2004	<u>1,212,749</u>	<u>1,203,790</u>	<u>8,693</u>	<u>266</u>
Depreciation				
At 1 January 2004	48,477	47,871	340	266
Charge for the year	9,606	9,538	68	0
Eliminated on disposals	(165)	(165)	0	0
At 31 December 2004	<u>57,918</u>	<u>57,244</u>	<u>408</u>	<u>266</u>
Net book amount at 31 December 2004	<u>1,154,831</u>	<u>1,146,546</u>	<u>8,285</u>	<u>0</u>
Net book amount at 31 December 2003	<u>1,168,518</u>	<u>1,160,165</u>	<u>8,353</u>	<u>0</u>

# Kay's Atlas Brewery P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

	2004 £	2003 £
<b>9 INVESTMENTS</b>		
Investments are included at cost, less amounts written off. and represents an investment in a fellow subsidiary		
Bell & Co. Plc.		
4% perpetual first mortgage debenture stock at Nominal Value	6,450	6,450
less amounts written off	<u>(4,515)</u>	<u>(4,515)</u>
At net book value as at 31 December 2004	<u>1,935</u>	<u>1,935</u>
<b>10 DEBTORS</b>		
Amount owed by parent company	<u>790,772</u>	<u>527,444</u>
<b>11 CREDITORS - amounts falling due within one year</b>		
Corporation tax	18,698	18,701
Proposed second interim ordinary dividend	6,250	6,250
Other creditors	<u>3,498</u>	<u>3,368</u>
	<u>28,446</u>	<u>28,319</u>
<b>12 PREFERENCE SHARES</b>		
The preference shares carry a cumulative right to dividend, but have no rights in the event of a winding up beyond the 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.		
<b>13 PROFIT AND LOSS ACCOUNT</b>		
Balance as at 1 January 2004	1,467,484	1,344,104
Profit for the year	<u>249,792</u>	<u>123,380</u>
Balance as at 31 December 2004	<u>1,717,276</u>	<u>1,467,484</u>
<b>14 MOVEMENT IN SHAREHOLDERS' FUNDS</b>		
Profit for the financial year	266,253	139,841
Dividends	<u>(16,461)</u>	<u>(16,461)</u>
Net increase in shareholders' funds	249,792	123,380
Shareholders' funds at 1 January 2004	<u>1,671,674</u>	<u>1,548,294</u>
Shareholders' funds at 31 December 2004	<u>1,921,466</u>	<u>1,671,674</u>
<b>15 PARENT COMPANY</b>		
The ultimate holding company of this Company is Frederic Robinson Ltd. which is registered in England.		
<b>16 TRANSACTIONS WITH RELATED PARTIES</b>		
The company has taken advantage of the exemption contained in Financial reporting Standard No 8 from disclosing the group transactions on the grounds that 100% of the company's voting rights are controlled within the group.		
<b>17 STAFF COSTS</b>		
The group's policy of utilising throughout the group a pool of staff employed by the holding company precludes any meaningful calculation of numbers of staff engaged upon work for the company. The total number of employees and employment costs of the group are disclosed in the holding company's accounts.		

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

### **KAY'S ATLAS BREWERY PLC**

We have audited the Financial Statements of Kays Atlas Brewery Plc for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, statement of total recognised gains and losses, accounting policies and notes on pages 5 to 7. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the director's report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the statement of directors' responsibilities.

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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with financial statements. Our responsibilities do not extend to any other information.

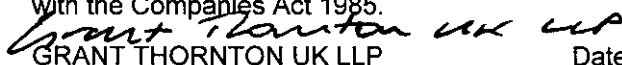
#### **Basis of opinion**

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.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
GRANT THORNTON UK LLP

Date

1 February 2005

Registered Auditors  
Chartered Accountants  
MANCHESTER

# **Kay's Atlas Brewery P.L.C.**

Unicorn Brewery, Stockport

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## **REPORT AND FINANCIAL STATEMENTS For the year ended 31 December 2004**

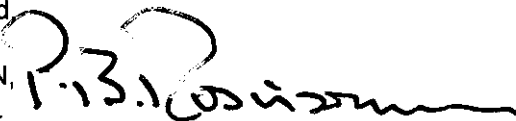
NOTICE is hereby given that the one hundred and ninth annual general meeting of Kay's Atlas Brewery P.L.C. will be held at the registered office of the Company, Unicorn Brewery, Stockport, on Monday 14 February 2005 at 12 o'clock noon for the following purposes, viz:-

1. To receive the Directors' Report and Financial Statements for the year ended 31 December 2004.
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 authorise the directors to fix their remuneration.
5. To transact any other business that may be legally transacted at an annual general meeting.

**Dated this 21st day of January 2005**

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.