

SADWILL TAVERNS LIMITED

Report and Financial Statements

27 April 2002



Deloitte & Touche
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Leeds
LS1 2AJ

REPORT AND FINANCIAL STATEMENTS 2002

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DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 27 April 2002.

ACTIVITIES

The company did not trade during the year and has not traded since the year end.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year were as follows:

O G W Smith

H R W Smith

No director had any interest in the share capital of the company.

The interests of the directors in the share capital of the ultimate parent company are shown in the accounts of that company.

CLOSE COMPANY STATUS

In the opinion of the directors, the company is a close company for taxation purposes.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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 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.

Approved by the Board of Directors
and signed on behalf of the Board



N P SCARR

Secretary

25 July 2002



**Deloitte
& Touche**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SADWILL TAVERNS LIMITED

We have audited the financial statements of Sadwill Taverns Limited for the year ended 27 April 2002 which comprise the balance sheet and the related notes 1 to 4. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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 as at 27 April 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

26 September 2002

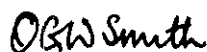
BALANCE SHEET

27 April 2002

	Note	2002 £	2001 £
CREDITORS: amounts falling due after one year			
Amount due to ultimate parent company		(104,236)	(104,236)
CAPITAL AND RESERVES			
Called up share capital	2	500	500
Profit and loss account		(104,736)	(104,736)
TOTAL EQUITY SHAREHOLDERS' FUNDS		(104,236)	(104,236)

These financial statements were approved by the Board of Directors on 25 July 2002.

Signed on behalf of the Board of Directors



O G W SMITH

Director

NOTES TO THE ACCOUNTS

Year ended 27 April 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

2. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
500 ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>
Called up, allotted and fully paid		
500 ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

3. ACTIVITIES

The company has not traded and has made neither profit nor loss during the financial year or during the previous financial year. There were no other recognised gains or losses and no movements in shareholders' funds during the financial year or during the previous financial year.

4. ULTIMATE PARENT COMPANY

In the opinion of the directors the company's ultimate parent company and controlling entity is Bassenthwaite Brewing Limited, a company registered in England and Wales.