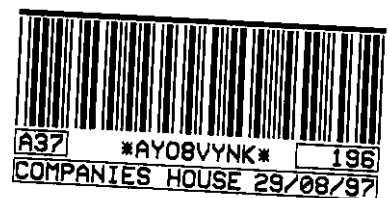


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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1996
FOR
B & M Taverns Ltd.



COMPANY INFORMATION
for the Year Ended 30th November 1996

DIRECTORS: Mr B S Stafford
Mrs M Stafford

SECRETARY: Mrs M Stafford

REGISTERED OFFICE: Blue Lias Inn
Stockton Road
Rugby
Warwickshire
CV23 8LD

REGISTERED NUMBER: 01943224 (England and Wales)

ACCOUNTANTS: James Kenney & Co.
202-204 Swan Lane
Coventry
CV2 4GD

B & M Taverns Ltd.

REPORT OF THE DIRECTORS
for the Year Ended 30th November 1996

The directors present their report with the financial statements of the company for the year ended 30th November 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Publicans

DIRECTORS

The directors during the year under review were:

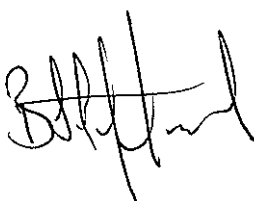
Mr B S Stafford
Mrs M Stafford

The beneficial interests of the directors holding office on 30th November 1996 in the issued share capital of the company were as follows:

	30.11.96	1.12.95
ORDINARY 1 shares		
Mr B S Stafford	1	1
Mrs M Stafford	1	1

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Mr B S Stafford - DIRECTOR

Dated: 29th August 1997

B & M Taverns Ltd.

REPORT OF THE ACCOUNTANTS TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
B & M TAVERNS LTD.

We report on the financial statements for the year ended 30th November 1996 set out on pages four to eleven.

Respective responsibilities of directors and reporting accountants

As described on page six the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

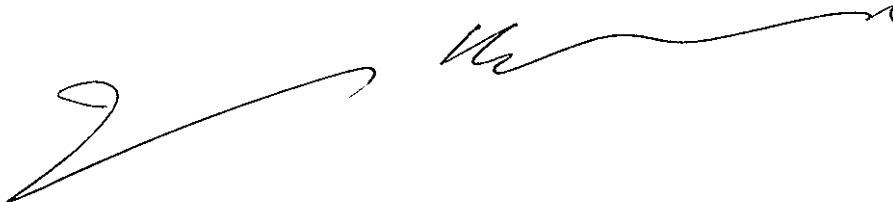
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

James Kenney & Co.
202-204 Swan Lane
Coventry
CV2 4GD



Dated: 29th August 1997

PROFIT AND LOSS ACCOUNT
for the Year Ended 30th November 1996

30.11.95			30.11.96
£		Notes	£
260,524	TURNOVER	2	256,424
120,907	Cost of sales		121,140
139,617	GROSS PROFIT		135,284
135,283	Administrative expenses		137,151
4,334	OPERATING (LOSS)/PROFIT	3	(1,867)
93	Interest payable and similar charges		-
4,241	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,867)
1,385	Tax on (loss)/profit on ordinary activities	4	1,283
2,856	(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(3,150)
16,335	Retained profit brought forward		13,379
19,191			10,229
(5,812)	Farming & Fishing Net Loss		(2,120)
£13,379	RETAINED PROFIT CARRIED FORWARD		£8,109

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the Year Ended 30th November 1996

30.11.95		30.11.96
<u>£</u>		<u>£</u>
2,856	(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(3,150)
(5,812)	Farming & Fishing Net Loss	(2,120)
		<u> </u>
<u>£(2,956)</u>	TOTAL RECOGNISED GAINS AND LOSSES	
	RELATING TO THE YEAR	<u>£(5,270)</u>

30th November 1996

The company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ending 30th November 1996.

The directors acknowledge their responsibilities for:

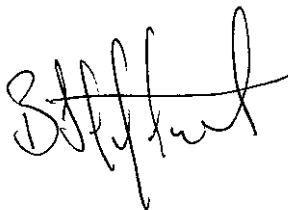
- The notes form part of these financial statements

B & M Taverns Ltd.

BALANCE SHEET
30th November 1996

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'B S Stafford', written over a horizontal line.

Mr B S Stafford - DIRECTOR

Approved by the Board on 29th August 1997

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30th November 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- in accordance with the property
Buildings	- in accordance with the property
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor Cars	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The turnover and loss (1995 - profit) before taxation are attributable to the one principal activity of the company.

3. OPERATING (LOSS)/PROFIT

The operating loss (1995 - operating profit) is stated after charging:

	30.11.96	30.11.95
	£	£
Depreciation - owned assets	12,602	12,869
	<u> </u>	<u> </u>
Directors' emoluments	11,574	10,895
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30th November 1996

4. TAXATION

The tax charge on the loss on ordinary activities for the year was as follows:

	30.11.96	30.11.95
	£	£
UK Corporation Tax	1,283	1,385
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 24 % (1995 - 25 %).

5. TANGIBLE FIXED ASSETS

	Totals	Leasehold property	Buildings
	£	£	£
COST:			
At 1st December 1995	186,266	80,788	32,111
Additions	1,572	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30th November 1996	187,838	80,788	32,111
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:			
At 1st December 1995	108,046	48,798	19,911
Charge for year	12,602	6,400	2,450
	<u> </u>	<u> </u>	<u> </u>
At 30th November 1996	120,648	55,198	22,361
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:			
At 30th November 1996	67,190	25,590	9,750
	<u> </u>	<u> </u>	<u> </u>
At 30th November 1995	78,220	31,990	12,200
	<u> </u>	<u> </u>	<u> </u>
		Fixtures and fittings	Motor Cars
	Plant and machinery		
	£	£	£
COST:			
At 1st December 1995	2,691	59,781	10,895
Additions	-	1,572	-
	<u> </u>	<u> </u>	<u> </u>
At 30th November 1996	2,691	61,353	10,895
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:			
At 1st December 1995	1,201	28,821	9,315
Charge for year	220	3,142	390
	<u> </u>	<u> </u>	<u> </u>
At 30th November 1996	1,421	31,963	9,705
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:			
At 30th November 1996	1,270	29,390	1,190
	<u> </u>	<u> </u>	<u> </u>
At 30th November 1995	1,490	30,960	1,580
	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30th November 1996

6. STOCKS		
	30.11.96	30.11.95
	£	£
Stock	5,415	6,311
	<u> </u>	<u> </u>
7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	30.11.96	30.11.95
	£	£
Trade debtors	3,681	6,834
Prepayments	3,641	2,285
	<u> </u>	<u> </u>
	7,322	9,119
	<u> </u>	<u> </u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	30.11.96	30.11.95
	£	£
Bank loans and overdrafts (see note 10)	21,588	15,171
Trade creditors	22,713	25,969
Directors current accounts	20,160	25,248
Private Loan	1,000	1,000
Taxation	1,283	1,402
	<u> </u>	<u> </u>
	66,744	68,790
	<u> </u>	<u> </u>
9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	30.11.96	30.11.95
	£	£
Bank loans (see note 10)	6,399	12,341
	<u> </u>	<u> </u>
10. LOANS AND OVERDRAFTS		
An analysis of the maturity of loans and overdrafts is given below:		
	30.11.96	30.11.95
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	21,588	15,171
	<u> </u>	<u> </u>
Amounts falling due between two and five years:		
Bank loans	6,399	12,341
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30th November 1996

11. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	30.11.96	30.11.95
		value:	£	£
100	ORDINARY	1	100	100
			<u> </u>	<u> </u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	30.11.96	30.11.95
		value:	£	£
2	ORDINARY	1	2	2
			<u> </u>	<u> </u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.11.96	30.11.95
	£	£
(Loss)/Profit for the financial year	(3,150)	2,856
Other recognised gains and losses relating to the year (net)	<u>(2,120)</u>	<u>(5,812)</u>
NET REDUCTION OF SHAREHOLDERS' FUNDS	(5,270)	(2,956)
Opening shareholders' funds	<u>13,381</u>	<u>16,337</u>
CLOSING SHAREHOLDERS' FUNDS	<u>8,111</u>	<u>13,381</u>
Equity interests	<u>8,111</u>	<u>13,381</u>