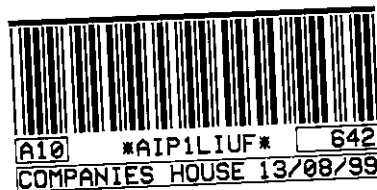


WIRRAL INNS LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 20TH NOVEMBER 1997 TO 31ST OCTOBER 1998

Registered number: 3468830



WIRRAL INNS LIMITED

FINANCIAL STATEMENTS

for the period ended 31st October 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
Schedule to the detailed trading and profit and loss account	Appendix 2

WIRRAL INNS LIMITED

COMPANY INFORMATION

31st October 1998

INCORPORATED	in England on 20th November 1997
NUMBER	3468830
DIRECTORS	S.D. Thompson
SECRETARY	F. Hitchin
REGISTERED OFFICE	Stanhope House Mark Rake, Bromborough, Wirral, Merseyside. L62 2DN

WIRRAL INNS LIMITED

DIRECTORS' REPORT

31st October 1998

The director presents his report and the financial statements for the period ended 31st October 1998.

Principal activity

The principal activity of the company is the ongoing operation of a public house and restaurant.

Business review

The company's balance sheet as detailed on page 4 shows a deficiency of shareholders' funds amounting to £29,172. The company was incorporated on the 20th November 1997, but did not commence trading until the 8th November 1998.

Results and dividends

The results for the period are shown in the profit and loss account on page 3. The director does not propose payment of an ordinary dividend.

Fixed assets

In the opinion of the director there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 13.

Directors

The director of the company during the period and his interests in the shares of the company as recorded in the register of directors' interests was as follows

31st October 1998
Ordinary
shares

S.D. Thompson

2

Share capital

On incorporation the company issued 2 ordinary shares of £ 1 each, fully paid at par.

On behalf of the board



S.D Thompson
Director

Date: 9th August 1999

Stanhope House
Mark Rake,
Bromborough,
Wirral, Merseyside. L62 2DN

WIRRAL INNS LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31st October 1998

	Note	1998 £
Net operating expenses		
Administrative expenses		(27,174)
Operating loss	2	(27,174)
Interest payable	4	(2,000)
Loss on ordinary activities before taxation		(29,174)
Taxation	5	-
Loss on ordinary activities after taxation		(29,174)
retained for the period	13	

Movements in reserves are shown in note 13.

None of the company's activities were acquired or discontinued during the above financial period.

There are no recognised gains and losses in 1998 other than the loss for the period.

WIRRAL INNS LIMITED

BALANCE SHEET

at 31st October 1998

	Note	1998 £	£
Fixed assets			
Tangible assets	6		438,509
Current assets			
Debtors	8	12,849	
Cash at bank and in hand		384	
		<u>13,233</u>	
Creditors: amounts falling due within one year	9	(135,822)	
Net current liabilities			<u>(122,589)</u>
Total assets less current liabilities			315,920
Creditors: amounts falling due after more than one year	10	(345,092)	
		<u>(29,172)</u>	
Capital and reserves			
Called up share capital	12		2
Profit and loss account	13	(29,174)	
Total shareholders' funds	11	<u>(29,172)</u>	

continued

WIRRAL INNS LIMITED


BALANCE SHEET
(continued)

at 31st October 1998

The directors consider that for the period ended 31st October 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial period under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements on pages 3 to 5 were approved by the board of directors on 9th August 1999 and signed on its behalf by:


S.D. Thompson
Director

WIRRAL INNS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1998

1 Accounting policies**Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land and buildings	Nil
Equipment	20 % on straight line basis
Fixtures and fittings	10 % on straight line basis

Deferred taxation

The directors do not consider a provision for deferred taxation necessary in respect of the excess of the net book amount of assets eligible for tax allowances over their corresponding tax written down values as the amounts involved are not material.

Freehold Land & Buildings

The freehold land and buildings have not been depreciated in accordance with SSAP12 as the company has upgraded the building, charging the cost to the profit and loss account in the year incurred. As a result the directors believe that there has been no permanent diminution in of the asset and current market value is not materially different from the valuation as disclosed in the accounts.

2 Operating loss

1998

£

Operating loss is stated after charging:

Depreciation of tangible fixed assets

(note 6):

Owned assets

14,051

14,051

WIRRAL INNS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1998

3 Directors and employees

	1998 Number
Average monthly number employed including executive directors: Office and management	<u>1</u>
Directors	£
Directors remuneration	<u>Nil</u>

4 Interest payable

	1998 £
Other Loan interest	<u>2,000</u>
	<u>2,000</u>

5 Taxation

No liability for corporation tax arises on the results for the period.

6 Tangible fixed assets

	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
Cost				
Additions	<u>11,329</u>	<u>117,854</u>	<u>323,377</u>	<u>452,560</u>
31st October 1998	<u>11,329</u>	<u>117,854</u>	<u>323,377</u>	<u>452,560</u>
Depreciation				
Charge for the period	<u>2,266</u>	<u>11,785</u>	<u>-</u>	<u>14,051</u>
31st October 1998	<u>2,266</u>	<u>11,785</u>	<u>-</u>	<u>14,051</u>
Net book amount				
31st October 1998	<u>9,063</u>	<u>106,069</u>	<u>323,377</u>	<u>438,509</u>

WIRRAL INNS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1998

7 Land and buildings

	1998 £
Freehold	<u>323,377</u>

Included in freehold land and buildings is freehold land at cost of £100,000 which is not depreciated.

8 Debtors

	1998 £
Amounts falling due within one year	
Other debtors	2,399
Prepayments and accrued income	<u>10,450</u>
	<u>12,849</u>

9 Creditors: amounts falling due within one year

	1998 £
Trade creditors	47,870
Other loans	65,000
Other creditors	15,342
Accruals and deferred income	<u>7,610</u>
	<u>135,822</u>

Bank borrowings are secured by debenture over all freehold land and buildings now vested in the company together with all fixtures fittings and fixed plant and machinery.

WIRRAL INNS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1998

10 Creditors: amounts falling due
after more than one year

1998

£

Other liabilities

Other loans	345,092
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 345,092

Maturity of debt

In one year or less, or on demand	
- see note 9	65,000

In more than one year but not more than two years	25,000
--	--------

In more than two years but not more than five years	75,000
--	--------

In more than five years	245,092
-------------------------	---------

 410,092

Amounts falling due
after more than five years:

Other loans	245,092
-------------	---------

 245,092

Other loans includes an amount of £370,092 in respect of a free trade brewery loan, secured by a fixed and floating charge over the freehold land and buildings and all fixtures, fittings fixed plant and machinery.

11 Reconciliation of movements in shareholders' funds

1998

£

Loss for the financial period	(29,174)
-------------------------------	----------

New share capital subscribed	2
------------------------------	---

Net subtraction from shareholders' funds	(29,172)
---	----------

Opening shareholders' funds	-
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Closing shareholders' funds	(29,172)
-----------------------------	----------

 (29,172)

WIRRAL INNS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1998

12 Called up share capital

	1998	
	Number of shares	£
Authorised		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

13 Profit and loss account

	1998 £
Retained loss for the period	<u>(29,174)</u>
31st October 1998	<u>(29,174)</u>