

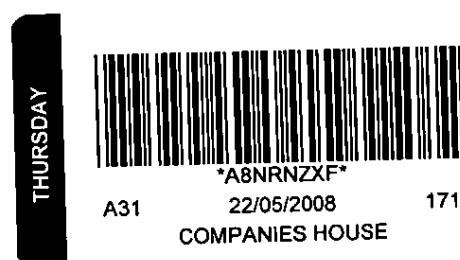
ROGER SUTTON & CO

Chartered Accountants

REAL ALE LIMITED

**FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

Company Registration Number - 5223891



Chartered Accountants and Registered Auditors

79 High Street Teddington Middlesex TW11 8HG

REAL ALE LIMITED

Financial statements for the year ended 31st December 2007

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REAL ALE LIMITED

Directors, officers and advisers

Directors

N J Dolan
P Dolan
A M Stein

Company secretary

N J Dolan

Registered office

79 High Street
Teddington
Middlesex
TW11 8HG

Registered number

5223891

Accountants

Roger Sutton & Co
79 High Street
Teddington
Middlesex
TW11 8HG

REAL ALE LIMITED

Directors' report for the year ended 31st December 2007

The directors present their report and the financial statements of the company for the year ended 31st December 2007

Principal activity

The principal activity of the company is the sale of traditionally brewed beers and related products

Directors

The directors who served during the year were

N J Dolan
P Dolan
A M Stein

Directors' interests

The beneficial interests of the directors and their families in the share capital of the company were as follows

	Ordinary shares of £1 each	
	<u>31st December</u> <u>2007</u>	<u>1st January 2007</u>
N J Dolan	50	50
P Dolan	-	-
A M Stein	-	-

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

Signed on behalf of the board



N J DOLAN
Company Secretary

Approved by the Board on April 2008

REAL ALE LIMITED

Accountants' Report to the Board of Directors on the Unaudited Financial Statements

In accordance with the engagement letter dated 29th September 2006, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company set out on pages 4 to 10 from the accounting records and information and explanations you have given to us

This report is made to the Company's board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31st December 2007 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Roger Sutton & Co
Registered Auditors and
Chartered Accountants

79 High Street
Teddington
Middlesex
TW11 8HG

April 2008

REAL ALE LIMITED

Profit and loss account for the year ended 31st December 2007

	<i>Notes</i>	<u>2007</u> £	<u>2006</u> £
Turnover	2	447,943	111,880
Cost of sales		<u>(332,924)</u>	<u>(67,150)</u>
Gross profit		<u>115,019</u>	<u>44,730</u>
Administrative expenses		<u>(134,510)</u>	<u>(88,448)</u>
Operating loss	3	(19,491)	(43,718)
Other interest receivable and similar income		238	2
Interest payable and similar charges		<u>(13,842)</u>	<u>(10,855)</u>
Loss on ordinary activities before taxation		<u>(33,095)</u>	<u>(54,571)</u>
Taxation on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(33,095)</u></u>	<u><u>(54,571)</u></u>

The notes on pages 7 to 10 form part of these financial statements

REAL ALE LIMITED

Balance sheet at 31st December 2007

	<i>Notes</i>	<u>2007</u> £	<u>2006</u> £
Fixed assets			
Tangible assets	6	65,727	75,776
Investments	7	<u>100</u>	<u>50</u>
		65,827	75,826
Current assets			
Stock		8,407	7,183
Debtors	8	19,408	9,991
Cash at bank and in hand		<u>50,845</u>	<u>25,364</u>
		78,660	42,538
Creditors: amounts falling due within one year	9	<u>(78,993)</u>	<u>(47,775)</u>
Net current liabilities		<u>(333)</u>	<u>(5,237)</u>
Total assets less current liabilities		65,494	70,589
Creditors: amounts falling due after more than one year	10	<u>(230,000)</u>	<u>(202,000)</u>
		<u>(164,506)</u>	<u>(131,411)</u>
Capital and reserves			
Called up share capital	11	100	100
Deficit on profit and loss account	12	<u>(164,606)</u>	<u>(131,511)</u>
Shareholders' funds		<u>(164,506)</u>	<u>(131,411)</u>

REAL ALE LIMITED

Balance sheet at 31st December 2007 (continued)

These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The directors are of the opinion that the company is entitled to the exemptions from audit conferred by section 249A(1) of the Companies Act 1985 for the year ended 31st December 2007

The directors confirm that no member or members have requested an audit pursuant to subsection 2 of section 249B of the Companies Act 1985

The directors are responsible for:-

- a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- b) preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December 2007 and of its results for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

Approved by the board of directors on

and signed on its behalf

N J Dolan N J Dolan - Director

The notes on pages 7 to 10 form part of these financial statements

REAL ALE LIMITED

Notes to the financial statements for the year ended 31st December 2007

1 Accounting policies

a) Going concern

Notwithstanding the deficiency of assets, the directors consider that is appropriate for the financial statements to be prepared on a going concern basis, as FIL Resources Ltd have undertaken not to require repayment of their loan in the 12-month period following approval of these financial statements

b) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company

c) Turnover

Turnover represents the net value of sales of goods and services rendered during the year, excluding value added tax

d) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are

Leasehold property	Over the period of the lease
Motor vehicles	20% on cost
Equipment, fixtures and fittings	10% to 25% on cost
Website development	20% on cost

e) Stocks

Stock and work in progress is valued at the lower of cost and estimated net realisable value

Cost of raw materials is determined on the first in first out basis. In the case of work in progress and finished goods, cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which the stock can be released in the normal course of business, less further costs to completion of sale

f) Investments

Investments in unlisted companies are shown at historic cost, less any provision for permanent diminution in value

2 Turnover

The turnover and loss before taxation are attributable to the one principal activity of the company

3 Loss on ordinary activities before taxation

This is stated after charging

	<u>2007</u> £	<u>2006</u> £
Depreciation	<u>11,799</u>	<u>12,256</u>

REAL ALE LIMITED

Notes to the financial statements for the year ended 31st December 2007 (continued)

4 Directors' emoluments

	<u>2007</u> £	<u>2006</u> £
Emoluments	<u>36,744</u>	<u>8,004</u>

5 Tax on profit on ordinary activities

	<u>2007</u> £	<u>2006</u> £
United Kingdom corporation tax at 0%	<u>-</u>	<u>-</u>

6 Tangible fixed assets

	<i>Land and buildings</i> £	<i>Motor vehicles</i> £	<i>Equipment fixtures and fittings</i> £	<i>Website development</i> £	<i>Total</i> £
Cost:					
At 1st January 2007	25,250	6,355	41,961	21,184	94,750
Additions	-	-	1,750	-	1,750
At 31st December 2007	<u>25,250</u>	<u>6,355</u>	<u>43,711</u>	<u>21,184</u>	<u>96,500</u>
Depreciation:					
At 1st January 2007	3,885	2,491	8,361	4,237	18,974
Provision for the year	1,942	1,271	4,349	4,237	11,799
At 31st December 2007	<u>5,827</u>	<u>3,762</u>	<u>12,710</u>	<u>8,474</u>	<u>30,773</u>
Net book value:					
At 31st December 2007	<u>19,423</u>	<u>2,593</u>	<u>31,001</u>	<u>12,710</u>	<u>65,727</u>
At 31st December 2006	<u>21,365</u>	<u>3,864</u>	<u>33,600</u>	<u>16,947</u>	<u>75,776</u>

The net book value of land and buildings at 31st December 2007 is made up as follows

	<u>2007</u> £	<u>2006</u> £
Short-term leasehold premises	<u>19,423</u>	<u>21,365</u>

REAL ALE LIMITED

Notes to the financial statements for the year ended 31st December 2007 (continued)

7 Investments

	<i>Unlisted investments</i> £	<i>Total</i> £
Cost:		
At 1st January 2007	50	50
Additions	50	50
At 31st December 2007	<u>100</u>	<u>100</u>

The company's £50 investment, as at the beginning of the year, represents a 50% interest in the ordinary share capital of The Real Ale Franchise Shop Limited, a company registered in England. This company was incorporated on 23rd October 2006.

The additional £50 investment during the year, represents a 50% interest in the ordinary share capital of Great British Real Ales Limited, a company registered in England. This company was incorporated on 20th September 2007 but was still dormant as at 31st December 2007.

8 Debtors

	<i>2007</i> £	<i>2006</i> £
Trade debtors	12,819	1,086
Accrued income	-	226
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,657	843
Other debtors	<u>4,932</u>	<u>7,836</u>
	<u>19,408</u>	<u>9,991</u>

9 Creditors: amounts falling due within one year

	<i>2007</i> £	<i>2006</i> £
Trade creditors	28,166	25,195
Other creditors	28,404	20,476
Other tax and social security	<u>22,423</u>	<u>2,104</u>
	<u>78,993</u>	<u>47,775</u>

10 Creditors: amounts falling due after more than one year

	<i>2007</i> £	<i>2006</i> £
Other creditors	<u>230,000</u>	<u>202,000</u>

REAL ALE LIMITED

Notes to the financial statements for the year ended 31st December 2007 (continued)

11 Called-up share capital

	<u>2007</u> £	<u>2006</u> £
Authorised		
Equity shares:		
Ordinary shares of £1 each	5,000	5,000
Ordinary 'A' £1 shares of £1 each	5,000	5,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
Equity shares:		
Ordinary shares of £1 each	50	50
Ordinary 'A' £1 shares of £1 each	50	50
	<u>100</u>	<u>100</u>

The ordinary £1 shares and the ordinary 'A' £1 shares rank pari-passu in all respects other than entitlement to dividends

12 Reserves

	<i>Profit and loss account</i> £
At 1st January 2007	(131,511)
Loss for the year	(33,095)
At 31st December 2007	<u>(164,606)</u>

13 Controlling party

The company is ultimately controlled by its directors

14 Directors' interests in contracts

The following loans to directors subsisted during the year ended 31st December 2007

	<i>Balance outstanding at start of year</i> £	<i>Balance outstanding at end of year</i> £	<i>Maximum balance outstanding during year</i> £
N J Dolan	3,107	-	3,386