

**THE EAST OF SCOTLAND PUBLIC-HOUSE
COMPANY LIMITED**

REPORT AND ACCOUNTS

FOR THE YEAR TO

30th APRIL 2004

SC230613

**Richard Dobbins & Co
Certified Accountants
Brocco Bank
Church Street
Beetham
Cumbria
LA7 7AL**

The East of Scotland Public-House Company Limited
Officers and Advisers

Directors Much Honoured Baron of Prestounrange
Lady Prestounrange
Baron Bailie & Procurator Fiscal
Much Honoured Baron of Dolphinstoun
Sylvia Burgess, Baron Sergeand

Secretary Sylvia Burgess, Baron Sergeand

Registered Office The Prestounrange Gothenburg
227 High Street
Prestonpans
East Lothian
EH32 9BE

Accountant Richard Dobbins & Co
Certified Accountants
Brocco Bank
Church Street
Beetham
Cumbria
LA7 7AL

Company Number SC230613

Bankers The Royal Bank of Scotland
Prestonpans Branch
2 Ayres Wynd
Prestonpans
EH32 9AB

The East of Scotland Public-House Company Limited
Directors' Report for the year ended 30 April 2004

The Company had by the year end almost finalised its renovation works so that The Prestoungrange Gothenburg could start trading. It had been anticipated that May 8th 2004 would have been the date at which the Full Licence would be granted, but circumstances beyond the Company's control delayed that until July 12th 2004. Authorisation to sell food was finally granted on July 16th.

To achieve its committed return for equity investors of 5% pa cumulative and to service Loan Note holders, and then to adequately fund the Prestoungrange Arts Festival under Gothenburg Principles, the Company is seeking to achieve sales in 2005 and beyond of at least £1 million per annum via its events, functions, food and beverage activities. Under the leadership of Anne Taylor as CEO an excellent team of experienced staff is in place and there is every expectation that the goal can be achieved and exceeded.

The Gothenburg Principles espoused exclude any direct staff incentivisation or aggressive promotion of sales of alcoholic drinks or tobacco, and smoking is limited to the James Fewell Bar. But these exclusions are clearly trading advantages in the format and styles the Company wishes to follow and all customers will be well aware of them.

Bylaws have been promulgated by the Barons Courts for both The Prestoungrange Gothenburg and the Baronial Foreshore effective from July 13th 2004.

Directors and their interests

Directors who served during the year and their interest in the share capital of the company on 30.04.04 were as follows:

		£1 Ordinary Shares	
		2004	2003
Gordon Prestoungrange -	Much Honoured Baron of Prestoungrange	2,000	2,000
Avril Wills -	Lady Prestoungrange	2,000	2,000
Mathew Wills -	Baron Bailie & Procurator Fiscal	2,000	2,000
Julian Wills -	Much Honoured Baron of Dolphinstoun	2,000	2,000
Sylvia Burgess -	Baron Sergeand	2,000	2,000

Close Company

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988. The Directors rely on Sections 247-249 of the Companies Act 1985 entitling them to deliver modified accounts.

Accountant

A resolution to re-appoint Richard Dobbins & Co as Accountants will be put to the members at the Annual General Meeting.

By Order of the Board

S. Burgess

**The East of Scotland Public-House Company Limited
Accountants Report**

**Accountants Report to the Members of
The East of Scotland Public-House Company Limited**

We report on the accounts for the year to 30 April 2004 set out on pages 4 to 7.

Respective Responsibilities of Directors and Reporting Accountants

The company's directors are responsible for the preparation of financial statements and they consider that the company is exempt from 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 accounts 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 the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985.

Having regard only to, and on the basis of the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act, and the company satisfied the conditions for exemption from an audit of the accounts for the period as specified in Section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

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The East of Scotland Public-House Company Limited
Balance Sheet as at 30 April 2004

	Note	£	2004 £	£	2003 £
Fixed Assets					
Tangible Assets	3		343,702		0
Current Assets					
Stocks		1,577		0	
Debtors	4	57,313		871	
Cash		61,550		7,237	
		<u>120,440</u>		<u>8,108</u>	
Current Liabilities					
Creditors and Accruals	5	<u>6,895</u>		<u>250</u>	
Net Current Assets			113,545		7,858
Total Assets Less Current Liabilities			<u>457,247</u>		<u>7,858</u>
Creditors: Amounts Falling Due After More than One Year					
	6		566,264		0
Net Assets			<u>(109,017)</u>		<u>7,858</u>
Capital and Reserves					
Called up share capital	7		10,000		10,000
Profit and loss account	8		(119,017)		(2,142)
			<u>(109,017)</u>		<u>7,858</u>

For the year ended 30th April 2004, the company was entitled to exemption from sub-section 2 of Section 249A of the Companies Act 1985. No member of the company has deposited a notice under Section 249B(2) requiring an audit of these accounts. The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with the requirements of Section 226 of the Act and which otherwise comply with the requirements of this Act relating to accounts so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

_____ *)
 _____)
 _____ *) Directors
 _____)

Approved by the board on

The East of Scotland Public-House Company Limited
Notes to the Accounts for the year to 30 April 2004

1. Accounting Policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Leasehold improvements	10 years	straight line
Office equipment	2 - 3 years	straight line
Fixtures and fittings	5 years	straight line
Motor Vehicles	4 years	straight line

The business is due to commence trading in July 2004 at which point depreciation will be charged. No charge therefore has been made in the year under review except for the motor vehicle.

2. Operating Profit

2004 **2003**
£ £

This is stated after charging:

Depreciation of owned fixed assets	1,465	0
Accountants' remuneration	250	250
	<u>1,715</u>	<u>250</u>

3. Tangible Fixed Assets

	Leasehold Improvements	Fixtures & Fittings	Office Equipment	Motor Vehicle	Total
	£	£	£	£	£
As at 1st May 2003	0	0	0	0	0
Additions	221,051	110,431	1,962	11,723	345,167
As at 30th April 2004	<u>221,051</u>	<u>110,431</u>	<u>1,962</u>	<u>11,723</u>	<u>345,167</u>

Depreciation

As at 1st May 2003	0	0	0	0	0
Charge for the year	0	0	0	1,465	1,465
As at 30th April 2004	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,465</u>	<u>1,465</u>

Net Book Value

As at 1st May 2003	0	0	0	0	0
As at 30th April 2004	<u>221,051</u>	<u>110,431</u>	<u>1,962</u>	<u>10,258</u>	<u>343,702</u>

4. Debtors

2004 **2003**
£ £

Finance leases	26,518	0
Other taxes	30,795	0
Prepayments	0	871
	<u>57,313</u>	<u>871</u>

The East of Scotland Public-House Company Limited
Notes to the Accounts for the year to 30 April 2004 - cont'd

5. Creditors: amounts falling due within one year	2004	2003
	£	£
Accruals	5,929	250
Other taxes and social security	448	0
Other creditors	518	0
	<u>6,895</u>	<u>250</u>

6. Creditors: amounts falling due after one year	2004	2003
	£	£
Loans	566,264	0

The loan at 0% interest per annum is a 5 year loan repayable on 31st December, 2008. From January, 2006 all or part of the loan outstanding, shall be convertible at par into the Company's preference shares.

7. Share Capital

	2004	2003
	£	£
Authorised:		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

	2004	2004	2003	2003
	No	£	No	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	10,000	<u>10,000</u>	10,000	<u>10,000</u>

8. Dividend Policy

The Members are entitled to a 5% dividend per annum, which in the event of insufficient distributable profits, such dividends shall be cumulative and may be paid out of the profits of any subsequent year or years.

The dividend entitlement for the current year is £500 and is a first charge against future profits.

The East of Scotland Public-House Company Limited
Profit and Loss Account for the year to 30 April 2004

	2004 £	2003 £
Turnover	0	0
Cost of Sales	0	0
Gross profit	<u>0</u>	<u>0</u>
Administrative Expenses	117,116	2,165
Operating profit/(loss)	2 <u>(117,116)</u>	<u>(2,165)</u>
Interest Receivable	241	23
Profit/(Loss) on ordinary activities before taxation	<u>(116,875)</u>	<u>(2,142)</u>
Tax on profit on ordinary activities	0	0
Profit/(Loss) for the financial year	<u>(116,875)</u>	<u>(2,142)</u>
Dividends	0	0
Retained profit/(loss) for the financial year	<u>(116,875)</u>	<u>(2,142)</u>