
OAK TAVERNS LIMITED

OFFICERS AND ADMINISTRATION

DIRECTORS

I Collinson
E Scott

SECRETARY

D Collinson

AUDITORS

Richardsons
Chartered Accountants
30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

REGISTERED OFFICE

5 Sycamore Drive
Thame
Oxfordshire
OX9 2AT

COMPANY NUMBER

2645556



OAK TAVERNS LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 September 2003.

PRINCIPAL ACTIVITY

The principal activity of the company during the year continued to be that of the management of a group of public houses.

REVIEW OF DEVELOPMENTS

The company merged with Park Taverns Limited on 1 November 2003. Park Taverns Limited became a wholly owned subsidiary of Oak Taverns Limited from this date. The directors feel that the critical mass achieved by the combination of the two companies puts the group in a stronger position in the market place, providing a foundation on which to grow the business and develop new opportunities.

DIRECTORS AND THEIR INTEREST

The director holding office during the year and his interest in the share capital of the company were as follows:

	At 30 September 2003		At 30 September 2002	
	Ordinary shares		Ordinary shares	
	'A' shares	'B' shares	'A' shares	'B' shares
I Collinson	100	100	100	100

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the period end and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

OAK TAVERNS LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. He is 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.

AUDITORS

On 1 April 2003, the trade of the company's auditors, Richardsons, a partnership, was transferred to Richardsons Financial Group Limited, a limited company trading as Richardsons. The directors of Oak Taverns Limited agreed to transfer appointment as the company's auditors from Richardsons, the partnership, to Richardsons, the limited company, in accordance with Section 26 of the Companies Act 1989.

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Richardsons be reappointed as auditors of the company will be put to the members at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

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 of directors



I COLLINSON
DIRECTOR

7-1-04.....Date

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

OAK TAVERNS LIMITED

We have audited the financial statements of Oak Taverns Limited for the year ended 30 September 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standard for Smaller Entities (effective June 2002).

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the Directors' Report, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 to you 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 and consider the implications for our report if we became aware of any apparent misstatements within it.

BASIS OF 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

OAK TAVERNS LIMITED

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 30 September 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Richardsons

RICHARDSONS
Chartered Accountants
Registered Auditors

30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

7 January 2004

OAK TAVERNS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2003

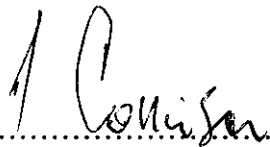
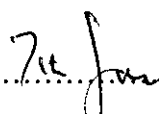
NOTES	<u>2003</u>	<u>2002</u>
1(a) TURNOVER	2,357,502	2,740,198
Cost of sales	<u>(1,283,429)</u>	<u>(1,538,784)</u>
GROSS PROFIT	1,074,073	1,201,414
Distribution costs and administrative expenses	(1,077,971)	(1,357,632)
Profit on sale of fixed assets	<u>109,719</u>	<u>62,002</u>
2 OPERATING PROFIT/(LOSS)	105,821	(94,216)
Interest receivable	1,281	1,023
Interest payable	<u>(2,526)</u>	<u>(12,720)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	104,576	(105,913)
3 Tax on profit/(loss) on ordinary activities	<u>(5,733)</u>	<u>7,857</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	98,843	(98,056)
Dividends paid	<u>(71,750)</u>	<u>-</u>
PROFIT/(LOSS) RETAINED FOR THE FINANCIAL YEAR	27,093	(98,056)
Balance brought forward	<u>164,461</u>	<u>262,517</u>
BALANCE CARRIED FORWARD	<u>£ 191,554</u>	<u>£ 164,461</u>

The attached notes form part of, and are to be read in conjunction with, these accounts.

OAK TAVERNS LIMITED**BALANCE SHEET AS AT 30 SEPTEMBER 2003**

NOTES		<u>2003</u>	<u>2002</u>
	FIXED ASSETS		
4	Tangible assets	131,723	263,743
	CURRENT ASSETS		
	Stocks	42,242	56,115
5	Debtors	202,289	107,861
	Cash at bank and in hand	<u>75,858</u>	<u>29,452</u>
		320,389	193,428
6	CREDITORS: amounts falling due within one year	<u>(256,563)</u>	<u>(232,406)</u>
	NET CURRENT ASSETS/(LIABILITIES)	<u>63,826</u>	<u>(38,978)</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	195,549	224,765
7	CREDITORS: amounts falling due after more than one year	(1,818)	(50,254)
8	PROVISION FOR LIABILITIES AND CHARGES	<u>(1,977)</u>	<u>(9,850)</u>
	NET ASSETS	<u>£ 191,754</u>	<u>£ 164,661</u>
	CAPITAL AND RESERVES		
9	Called up share capital	200	200
	Profit and loss account	<u>191,554</u>	<u>164,461</u>
	SHAREHOLDERS' FUNDS	<u>£ 191,754</u>	<u>£ 164,661</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective June 2002).

..........I Collinson  7th Jan 2004.....Date

The attached notes form part of, and are to be read in conjunction with, these accounts.

OAK TAVERNS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and the accounting policies adopted below.

(a) Turnover

Turnover represents amounts of retail sales to third parties and management charges to related parties, net of VAT and trade discounts.

(b) Tangible fixed assets and depreciation

Fixed assets are recorded at cost, less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value over the expected useful life of each asset as follows:

Leasehold improvements	over 10 years
Motor vehicles	25% straight line
Fixtures, fittings and equipment	20% straight line
Office equipment	20% straight line

(c) Stocks

Stocks are stated at the lower of cost and net realisable value.

(d) Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

(e) Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

OAK TAVERNS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

1. ACCOUNTING POLICIES CONTINUED

(f) Pensions

The company operates a defined contribution pension scheme covering the director and one employee, it also makes contributions to a stakeholder scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the company in an independently administered funds.

(g) Disposal of public houses

The treatment of the profit or loss arising on the disposal of a public house under management was reassessed during the year. It was felt that the purchase and sale of public houses was part of the trading activities of the business and not an exceptional item. Consequently this has resulted in any profit being included as other operating income and not as an exceptional item. The comparatives for the year ended 30 September 2002 have been adjusted to reflect this change in accounting policy.

2. OPERATING PROFIT/(LOSS)	<u>2003</u>	<u>2002</u>
This is stated after charging:		
Director's emoluments (including pension costs)	49,734	40,590
Pension costs	4,583	5,000
Auditors' remuneration	4,750	4,300
Depreciation: owned assets	58,710	85,073
assets held under finance leases and hire purchase contracts	14,997	19,295
Loss on disposal of fixed assets	<u>-</u>	<u>273</u>
This is stated after crediting:		
Profit on disposal of fixed assets	<u>109,719</u>	<u>62,002</u>

3. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Corporation tax	13,606	-
(Over)/under provision in previous year	-	(17,707)
Charge in deferred tax provision (note 10)	(7,873)	9,850
	<u>£ 5,733</u>	<u>£ (7,857)</u>

OAK TAVERNS LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003**

4. TANGIBLE FIXED ASSETS

	<u>Leasehold Improvements</u>	<u>Fixtures and Fittings</u>	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
COST:					
At 1 October 2002	85,352	430,223	20,156	82,261	617,992
Additions	12,908	10,163	3,711	-	26,782
Disposals	(39,524)	(161,495)	-	(33,596)	(234,615)
At 30 September 2003	<u>£ 58,736</u>	<u>£ 278,891</u>	<u>£ 23,867</u>	<u>£ 48,665</u>	<u>£ 410,159</u>
DEPRECIATION:					
At 1 October 2002	26,966	265,805	16,543	44,935	354,249
Provided during the year	6,741	49,132	2,837	14,997	73,707
Withdrawn on disposal	(10,021)	(111,471)	-	(28,028)	(149,520)
At 30 September 2003	<u>£ 23,686</u>	<u>£ 203,466</u>	<u>£ 19,380</u>	<u>£ 31,904</u>	<u>£ 278,436</u>
NET BOOK VALUE:					
At 30 September 2003	<u>£ 35,050</u>	<u>£ 75,425</u>	<u>£ 4,487</u>	<u>£ 16,761</u>	<u>£ 131,723</u>
At 30 September 2002	<u>£ 58,386</u>	<u>£ 164,418</u>	<u>£ 3,613</u>	<u>£ 37,326</u>	<u>£ 263,743</u>

The net book value of motor vehicles above includes an amount of £16,761 (2002: £37,326) in respect of assets held under finance leases and hire purchase contracts.

5. DEBTORS

	<u>2003</u>	<u>2002</u>
Trade debtors	1,598	-
Other debtors	121,617	31,245
Corporation tax recoverable	-	18,614
Prepayments	<u>79,074</u>	<u>58,002</u>
	<u>£ 202,289</u>	<u>£ 107,861</u>

Included in other debtors are amounts of £22,325 which are due after more than one year (2002: £22,320).

An amount of £94,119 is also included in other debtors in relation to the sale proceeds for the disposal of a leasehold property. Contracts were exchanged before the year end, but not completed until 3 October.

OAK TAVERNS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

	<u>2003</u>	<u>2002</u>
6. CREDITORS: amounts falling due within one year		
Bank loans and overdrafts	-	10,596
Obligations under finance leases and hire purchase contracts	8,699	35,782
Trade creditors (Note 12)	129,867	146,609
Corporation tax	13,584	-
Other taxes and social security costs	40,361	34,617
Director's current account	51,502	502
Other creditors	4,100	-
Accruals	8,450	4,300
	<u>£ 256,563</u>	<u>£ 232,406</u>

The bank loan was repaid in full in 2003

An unlimited composite guarantee dated 18 August 2003 is in place between Oak Taverns Limited and Park Taverns Limited over the bank loans and overdraft of Park Taverns Limited.

There is also a guarantee from a director, limited to £125,000.

Hire purchase and finance lease obligations are secured on the assets concerned.

7. **CREDITORS:** Amounts falling due after more than one year

Bank loan (note 6)	-	39,737
Obligations under finance leases and hire purchase contracts (note 6)	1,818	10,517
	<u>£ 1,818</u>	<u>£ 50,254</u>
Debt due after more than one year:		
repayable between one and five years	<u>£ -</u>	<u>£ 50,254</u>

8. **PROVISIONS FOR LIABILITIES AND CHARGES**

Deferred taxation provided in the accounts and the amounts not provided are as follows:-

	Provided		Not provided	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Capital allowances in advance of depreciation	1,977	6,097	-	-
Potential liability on future sale of freehold property	-	3,753	-	46
	<u>£ 1,977</u>	<u>£ 9,850</u>	<u>£ -</u>	<u>£ 46</u>

These notes form part of, and are to be read in conjunction with, the attached accounts.

OAK TAVERNS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

9. SHARE CAPITAL

	<u>2003</u>	<u>2002</u>
<u>Authorised</u>		
1,000 Ordinary 'A' shares of £1 each	1,000	1,000
1,000 Ordinary 'B' shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>£ 2,000</u>	<u>£ 2,000</u>
 <u>Issued and fully paid</u>		
100 Ordinary 'A' shares of £1 each	100	100
100 Ordinary 'B' shares of £1 each	<u>100</u>	<u>100</u>
	<u>£ 200</u>	<u>£ 200</u>

After the year end the issued shares were re-classified as a single class of £1 ordinary shares from which a bonus issue was made. The remaining unissued share capital was reclassified as A ordinary and B ordinary shares. The A ordinary and B ordinary shares were issued in exchange for the £1 ordinary shares of Park Taverns Limited on 1 November 2003.

10. OTHER FINANCIAL COMMITMENTS

At 30 September 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	<u>2003</u>		<u>2002</u>
	Equipment Hire	Land & Buildings	Equipment Hire
			Land & Buildings
Operating leases which expire:			
within one year	-	5,200	-
within two to five years	-	25,000	14,278
in over five years	-	<u>271,269</u>	-
	<u>£ -</u>	<u>£ 301,469</u>	<u>£ 14,278</u>
			<u>£ 358,827</u>

11. CAPITAL COMMITMENTS

Contracted but not provided	<u>£ -</u>	<u>£ 5,000</u>
-----------------------------	------------	----------------

OAK TAVERNS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

12. RELATED PARTY TRANSACTIONS

For the whole year, the company was under the control of Mr I Collinson and connected persons.

During the year the company acquired goods and services on behalf of the partnership Acorn Freehouses in which Mr I Collinson is a partner, to the value of £2,295 (2002: £1,023) and a management fee of £5,600 (2002: £1,200) was charged to Acorn. Included in Other debtors is a balance of £204 which Acorn Freehouses owed the company at the year end (2002: £917). A management fee of £58,500 (2002: £35,638) was charged to Park Taverns Limited, a company in which, at the balance sheet date Mr I Collinson and Mr E Scott are shareholders and which became a wholly owned subsidiary on 1 November 2003. All transactions were recharged at normal commercial rates.

Rent was paid to the Oak Taverns Limited Pension Fund of £21,000 (2002: £21,000) in respect of a public house leased from the scheme. Included in other debtors is a rent deposit of £3,800 (2002: £3,800) which is held by the Oak Taverns Limited Pension Fund.

Included in trade creditors is £261, owed to Park Taverns Limited. These transactions were on a normal trading basis.