

Company Registration No. 06198430 (England and Wales)

BRITISH COUNTRY INNS 4 PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2010

BRITISH COUNTRY INNS 4 PLC

COMPANY INFORMATION

Directors

P J Mathews
A J Miller
M W Sherwood
D T Udell

Secretary

Athenaeum Secretaries Ltd

Company number

06198430

Registered office

Ampney House
Falcon Close
Quedgeley
Gloucester
GL2 4BR

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

BRITISH COUNTRY INNS 4 PLC

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BRITISH COUNTRY INNS 4 PLC

CHAIRMAN'S STATEMENT

I am pleased to enclose the Report and Accounts for your Company for the period ended 30th January 2010 and to invite you to attend the Company's Annual General Meeting to be held at the offices of Smith & Williamson, 25 Moorgate, London EC2R 6AY at 10.00 on 1st July 2010.

Performance

Now that the General Election is behind us, it is apparent that there are still major concerns over the state of the UK economy. Recent press reports also suggest that the licensed trade is faring little better. We now await the forthcoming Budget on 22nd June to see what effect the proposals will have on an already overstretched industry. The appalling weather at the beginning of January hit trade very hard and despite progress made during the poor summer of 2009 your Company was knocked off course from projected performance. Against this background your Company has increased its overall turnover this year from £1.542m to £2.252m and House Trading Profit has improved by £140k. Your Board anticipate house trading profit continuing to increase and have taken action to reduce central overheads. The Inn on the Wye, the Three Horseshoes and the Llangeinor Arms have all shown a significant improvement in turnover and house profit from 2009. The Royal Oak has shown a small loss this year but following a change in management in September 2009 and the launch of a new menu, trade is showing a significant improvement week on week. The Butchers Arms has traded at a small profit and turnover continues to grow principally as a result of the recent capital investment. The Old Barn traded at a small loss partly as a result of the outlet's closure during the recent refurbishment. Turnover continues to improve now that these works are completed and management expect a significant improvement in overall performance this year. The Old Brewery remains closed and the Company is now investigating a possible redevelopment of the site for an alternative use given the poor state of the public house development market.

Impairment

An impairment review process has been carried out and the resulting impairment adjustment has been taken through the profit and loss account. The process included the valuation of the pubs on a consistent basis by a professionally qualified director. Other pubs owned by the Company are valued above the net book value but accounting rules do not allow the Company to take the credit of this benefit through the profit and loss account. The Company considers the most likely exit is that of a sale of the Company as a whole which would reflect the surplus at some of the pubs.

Accounting rules require the Company to look at each pub individually and charge impairment where the valuation of the pub is less than the book value, through the Profit and Loss account. The Company is unable to show the credit where market value is in excess of book value. Had the Company been able to show this surplus over tangible fixed assets of £73k, the impairment charge would have reduced to £842k.

BRITISH COUNTRY INNS 4 PLC

CHAIRMAN'S STATEMENT

Profitability

- Total house trading profit (before central costs, depreciation, and interest) has increased by £139,828 from a loss of £11,073 (2009) to a profit of £128,755 (2010) which represents 5.7% of turnover (2009: - 0.72%).
- The most productive pub is trading at a profit of 19.6% of turnover.
- Like for like sales are up 19.0% despite the state of the economy and the adverse weather conditions throughout the year.
- Overall profitability has been affected by the downturn in the market. It is fortunate that your estate's performance has been partly cushioned from the recession since a significant proportion of our overall turnover is derived from the sale of food. Total food sales account for 59.3% of the Company's business and food sales show a growth in turnover of 45.4%.
- Management continues to exploit the trading opportunities which exist at each site and to drive the business towards maturity.

As I reported last year the overall effects of the economic downturn are having a severe effect on our industry which continues to face a most difficult and challenging time. Some 40 pubs are still reported to be closing each week. Pubcos continue to have to support their tenants with rent concessions and other financial benefits. Despite this the industry is finding it difficult to encourage new and competent operators to enter the trade. In the longer term there will be a reduction in the overall number of pubs in the country as outlets are closed and developed for alternative uses. This will be of significant benefit to those outlets which remain.

Progress

- Against this economic background, your management continue to make steady progress in the development of your Company's pub estate.
- The turnover at the Inn on the Wye, the Three Horseshoes, and The Butchers Arms have all achieved or exceeded expectation.
- The performance of the Llangeinor Arms and the Old Barn are much improved.
- Like for like turnover figures, year on year, are 19.0% ahead. This shows that the changes put in place are having a positive effect on performance.
- Directors have forgone the 3.9% salary increase from 2nd January 2010 to which they were entitled.

Key Performance Indicators

- Total turnover for the Company has shown growth over last year and the overall performance is much improved. Management is aware of the individual problems within the portfolio and has taken steps to address the issues.
- The overall Gross Profit margin has been maintained at 63.7%. Your Company has recently changed its liquor supplier to Marstons and is now achieving better margins on liquor purchases whilst still retaining a local representation on cask ale. The Company continues to monitor its suppliers to maximise the purchasing opportunities.
- Labour costs have reduced to by 4.8% to 37.1% (2009 41.9%).
- Other controllable costs have been held or reduced.

CHAIRMAN'S STATEMENT

Prospects

- Management will concentrate on improving turnover throughout the portfolio, and controlling margins and costs.
- Like for like sales in the first quarter of the new financial year are 11.1% up on the same period last year. Management are hoping for a run of better weather throughout the summer so as to maintain this progress.
- Management continue to exploit opportunities where they exist. During the 3 year EIS period letting bedrooms have not been heavily promoted as this income is non-qualifying for EIS purposes. When the EIS period ends in November rooms marketing will be increased at the three houses which have this facility.
- Numerous additional marketing initiatives have been introduced, websites upgraded and e marketing improved throughout the year.

Risks and Uncertainties

In addition to the issues disclosed in note 1.1 to the financial statements the following risks and uncertainties have been identified:

- The effects of the General Election and its impact on trade resulting from a lack of consumer confidence and uncertainty over future levels of disposable income and job security.
- The impact of proposals in both the April and forthcoming budgets.
- Recent interference in the industry by the previous Government with their proposed inquiry into the beer tie and failure to address the issue of supermarkets continuing to sell liquor as a loss leader at prices which are little above cost.

EIS Period End

Your Company will be outside the three year statutory period under the Enterprise Investment Scheme (EIS) in November 2010. From that date your Board will monitor any opportunity that arises for a possible sale of the Company.

The Future

Last year your Board carried out a review of the property market with particular reference to public houses. That review confirmed that there was a lack of market transactional evidence of the sale of portfolios of public houses and that there was a lack of interest amongst the major operators to consider acquisitions particularly for a portfolio such yours. The position remains much the same today with most companies concentrating their efforts entirely on maintaining and supporting individual licensees within their own business and offering various incentives to those individual licensees in financial difficulty. A number of the larger pubcos and brewery companies with significant food outlets have announced a continuing growth in their food turnovers amongst their branded concepts, indicating their intention to dispose of some wet led outlets and to reinvest the monies into more branded food concepts. There are early indications that pub values may be hardening, particularly in London, where there has once more been some limited market activity. Elsewhere, individual lessees, free house operators and a number of pub companies have fallen into financial difficulty. This has often resulted in a receivership situation caused by banks seeking repayment of their outstanding loans, and with banks then effectively taking over control of the business. There have been a number of distressed company sales, usually amongst those companies with a significant proportion of tied leasehold pubs. All this is far removed from the market conditions which existed at the time of the launch of your EIS Company.

BRITISH COUNTRY INNS 4 PLC

CHAIRMAN'S STATEMENT

The advice we continue to receive is to continue to trade the estate until the market for public houses has improved, to grow individual businesses towards a maturity and to maintain stable unit management throughout the portfolio.

Rest assured that your Board will continue to monitor the situation and to consider all the different options available.

Environment

The Company recognises the importance of its environmental responsibilities. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption wherever possible.

Management and Employees

Once again on your behalf I would like to thank the operational staff, individual licensees and their staff for all they are doing. They are all working extremely hard to move their individual business forward.

Finally I would encourage you to visit one of our pubs to see for yourself how the businesses are now trading following the investment which has been made. You might like to visit our website at www.bciplc.co.uk for further details and directions. If you require any further assistance, please contact Tax Efficient Solutions at Smith & Williamson on 0207 7131 4502.



A. J. Miller

Chairman

28 May 2010

BRITISH COUNTRY INNS 4 PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JANUARY 2010

The directors present their report and financial statements for the period ended 30 January 2010.

Principal activities and review of the business

The principal activity of the company is the ownership and operation of a portfolio of public houses. A review of the business is given in the Chairman's statement.

Results and dividends

The results for the period are set out on page 9.

Directors

The following directors have held office since 25 January 2009:

P J Mathews
A J Miller
M W Sherwood
D T Udell

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that the suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

As at the period end creditor days amounted to 20 (2009: 21).

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Saffery Champness be re-appointed will be put at a General Meeting.

BRITISH COUNTRY INNS 4 PLC

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 30 JANUARY 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

The directors have reviewed the company's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements. They have considered liquidity risk, key assumptions and uncertainties. As a result of this assessment, the directors have adopted the going concern basis of accounting for the preparation of these financial statements.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



M W Sherwood

Director

28 May 2010

BRITISH COUNTRY INNS 4 PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH COUNTRY INNS 4 PLC

We have audited the financial statements of British Country Inns 4 PLC for the period ended 30 January 2010 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 5 - 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 January 2010 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. As at the date of approval of these accounts the company is in negotiation with its bankers to renew the existing overdraft and loan facilities. No formal confirmation has been received of their ongoing intentions at this date. This together with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which could cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

BRITISH COUNTRY INNS 4 PLC

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF BRITISH COUNTRY INNS 4 PLC**

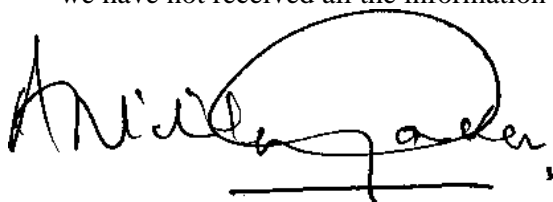
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Andrew Gaskell (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

28 May 2010

**Chartered Accountants
Statutory Auditors**

Lion House
Red Lion Street
London
WC1R 4GB

BRITISH COUNTRY INNS 4 PLC**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JANUARY 2010**

		Period ended 30 January 2010 £	Period ended 24 January 2009 £
Turnover	2	2,251,930	1,541,818
Cost of sales (excluding depreciation)	3	(2,123,175)	(1,552,891)
House trading profit/(loss)		128,755	(11,073)
Depreciation		(157,902)	(91,852)
Cost of sales - Exceptional item	4	(1,095,080)	-
Gross loss		(1,124,227)	(102,925)
Administrative expenses		(326,777)	(392,696)
Operating loss	4	(1,451,004)	(495,621)
Other interest receivable and similar income		179	107,649
Interest payable and similar charges	5	(2,158)	-
Loss on ordinary activities before taxation		(1,452,983)	(387,972)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	13	(1,452,983)	(387,972)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

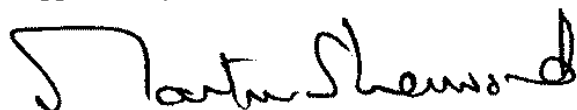
The notes on pages 12 to 21 form part of these financial statements.

BRITISH COUNTRY INNS 4 PLC**BALANCE SHEET
AS AT 30 JANUARY 2010**

		2010		2009	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		-		202,960
Tangible assets	8		5,231,997		6,066,307
			<u>5,231,997</u>		<u>6,269,267</u>
Current assets					
Stocks	9	63,577		63,970	
Debtors	10	52,175		53,946	
Cash at bank and in hand		68,119		150,184	
			<u>183,871</u>		<u>268,100</u>
Creditors: amounts falling due within one year	11	(511,198)		(179,714)	
Net current (liabilities)/assets			<u>(327,327)</u>		<u>88,386</u>
Total assets less current liabilities			<u>4,904,670</u>		<u>6,357,653</u>
Capital and reserves					
Called up share capital	12	3,658,376		3,658,376	
Share premium account	13	3,086,308		3,086,308	
Profit and loss account	13	(1,840,014)		(387,031)	
Shareholders' funds	14		<u>4,904,670</u>		<u>6,357,653</u>

The notes on pages 12 to 21 form part of these financial statements.

Approved by the Board and authorised for issue on 28 May 2010



M W Sherwood
Director

Company Registration No. 06198430

BRITISH COUNTRY INNS 4 PLC**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JANUARY 2010**

		Period ended 30 January 2010		Period ended 24 January 2009	
	Notes	£	£	£	£
Net cash outflow from operating activities	18		(91,615)		(316,341)
Returns on investments and servicing of finance					
Interest received		179		107,649	
Interest paid		(2,158)		-	
Net cash (outflow)/inflow for returns on investments and servicing of finance			(1,979)		107,649
Taxation			(100)		(4,790)
Payments to acquire tangible assets		(238,308)		(750,026)	
Net cash outflow for capital expenditure			(238,308)		(750,026)
Acquisitions and disposals					
Acquisition of unincorporated businesses	21	-		(3,240,393)	
Acquisition expenses		-		(142,075)	
Net cash outflow for acquisitions and disposals			-		(3,382,468)
Net cash outflow before financing			(332,002)		(4,345,976)
Decrease in cash in the period	19, 20		(332,002)		(4,345,976)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

In common with the rest of the leisure industry the directors are aware that the Company's income is based on its customers discretionary spending. This may well be affected by the ongoing state of the economy and changes in the tax regime introduced by the new government.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance and being conservative for the reasons outlined above, show that the Company should be able to operate within the level of its current facility.

The Company meets its day to day working capital requirements through an overdraft facility. The facility is in the process of being renegotiated and currently the directors have no reason to believe the facility will not be renewed.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore in preparing the financial statements they continue to adopt the going concern basis of accounting.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

Goodwill is reviewed annually for indications of impairment as described in the tangible fixed asset accounting policy set out below.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	75 years straight line
Fixtures, fittings & equipment	10-33% straight line

Freehold land is not depreciated

1 Accounting policies **(continued)**

The directors assess assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Assets are grouped into individual cash generating units which are assessed separately. Impairment occurs where the recoverable amount of the asset is less than its carrying amount. Recoverable amount is the higher of an assets net realisable value less costs to sell and its value in use. Any impairment loss is treated as a charge through the profit and loss account.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Cost of sales

The company's cost of sales consist of all direct expenditure incurred in operating its public houses. This includes direct goods for trading, labour, promotional, utilities, maintenance and other consumables.

BRITISH COUNTRY INNS 4 PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JANUARY 2010**

4	Operating loss	2010	2009
		£	£
	Operating loss is stated after charging:		
	Amortisation of intangible assets	22,596	20,749
	Depreciation of tangible assets	157,902	91,852
	Auditors' remuneration		
	- Audit fees	7,000	7,000
	- Other services	1,370	2,403
		<u> </u>	<u> </u>
	Exceptional items:		
	Impairment adjustment to carrying value of public houses and related goodwill	1,095,080	-
		<u> </u>	<u> </u>
5	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	2,158	-
		<u> </u>	<u> </u>

BRITISH COUNTRY INNS 4 PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JANUARY 2010**

6 Taxation	2010	2009
	£	£
Current tax charge	-	-
	<u> </u>	<u> </u>
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(1,452,983)	(387,972)
	<u> </u>	<u> </u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008: 28.33%)	(406,835)	(109,912)
	<u> </u>	<u> </u>
Effects of:		
Depreciation add back	44,212	26,021
Capital allowances	(46,863)	(57,273)
Tax losses carried forward	102,864	141,164
Fixed asset impairment add back	306,622	-
	<u> </u>	<u> </u>
	406,835	109,912
	<u> </u>	<u> </u>
Current tax charge	-	-
	<u> </u>	<u> </u>

The company has estimated losses of £938,026 (2009: £570,655) available to carry forward against future trading profits. Based on a future expected tax rate of 28% this represents a deferred tax asset of approximately £262,647 (2009: £159,783). A deferred tax liability arises between depreciation and capital allowances of £73,253 (2009: £57,683). The resulting net deferred tax asset has not been included in the balance sheet as the necessary conditions for recognition have not been met.

BRITISH COUNTRY INNS 4 PLC

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JANUARY 2010**

7 Intangible fixed assets

	Goodwill £
Cost	
At 25 January 2009 & at 30 January 2010	226,001
Amortisation	
At 25 January 2009	23,041
Charge for the period	22,596
Impairment	180,364
At 30 January 2010	226,001
Net book value	
At 30 January 2010	-
At 24 January 2009	202,960

8 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 25 January 2009	5,375,659	791,090	6,166,749
Additions	68,655	169,653	238,308
At 30 January 2010	5,444,314	960,743	6,405,057
Depreciation			
At 25 January 2009	41,149	59,293	100,442
Charge for the period	46,141	111,761	157,902
Impairment	914,716	-	914,716
At 30 January 2010	1,002,006	171,054	1,173,060
Net book value			
At 30 January 2010	4,442,308	789,689	5,231,997
At 24 January 2009	5,334,510	731,797	6,066,307

BRITISH COUNTRY INNS 4 PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JANUARY 2010**

9	Stocks	2010	2009
		£	£
	Finished goods and goods for resale	63,577	63,970
		<u> </u>	<u> </u>
10	Debtors	2010	2009
		£	£
	Corporation tax	200	-
	Other debtors	19,935	20,291
	Prepayments and accrued income	32,040	33,655
		<u> </u>	<u> </u>
		52,175	53,946
		<u> </u>	<u> </u>
11	Creditors: amounts falling due within one year	2010	2009
		£	£
	Bank loans and overdrafts	253,927	3,990
	Trade creditors	127,473	56,273
	Corporation tax	-	(100)
	Other taxes and social security costs	75,335	64,433
	Other creditors	17,408	1,803
	Accruals and deferred income	37,055	53,315
		<u> </u>	<u> </u>
		511,198	179,714
		<u> </u>	<u> </u>

The bank overdraft is secured by way of a fixed charge over certain freehold property and associated assets held by the company

BRITISH COUNTRY INNS 4 PLC

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JANUARY 2010**

12 Share capital	2010	2009
	£	£
Authorised		
20,000,000 Ordinary of 50p each	10,000,000	10,000,000
100,000 A Ordinary of 50p each	50,000	50,000
20,000,000 Deferred shares of 50p each	10,000,000	10,000,000
	<u>20,050,000</u>	<u>20,050,000</u>
Allotted share capital		
7,256,752 Ordinary of 50p each	3,628,376	3,628,376
100,000 A Ordinary of 50p each	50,000	50,000
	<u>3,678,376</u>	<u>3,678,376</u>
Called up and paid share capital		
7,256,752 Ordinary of 50p each	3,628,376	3,628,376
20,000 A Ordinary of 50p each	10,000	10,000
80,000 A Ordinary of 50p each partly paid	20,000	20,000
	<u>3,658,376</u>	<u>3,658,376</u>

At the period end of the 100,000 A Ordinary shares held by the directors, 20,000 had been called up as to 50p per share and 80,000 had been called up as to 25p per share. There is currently no formal timetable for the company to call the outstanding balance.

The ordinary shares of 50p each and the A Ordinary shares of 50p each rank pari passu except for rights to income and capital where, if the returns are in excess of a specified initial return as detailed in the Articles of Association of the company, 75% of any excess will be due to the holders of Ordinary shares of 50p each in proportion to their holdings of those shares and 25% of any excess will be due to the holders of A Ordinary shares of 50p each in proportion to their holdings of those shares.

13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 25 January 2009	3,086,308	(387,031)
Retained loss for the period	-	(1,452,983)
	<u>3,086,308</u>	<u>(1,840,014)</u>
Balance at 30 January 2010	<u>3,086,308</u>	<u>(1,840,014)</u>

BRITISH COUNTRY INNS 4 PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JANUARY 2010**

14 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Loss for the financial period	(1,452,983)	(387,972)
Opening shareholders' funds	6,357,653	6,745,625
	<hr/>	<hr/>
Closing shareholders' funds	4,904,670	6,357,653
	<hr/> <hr/>	<hr/> <hr/>

15 Directors' emoluments	2010	2009
	£	£
Emoluments for qualifying services	135,993	136,362
	<hr/> <hr/>	<hr/> <hr/>

16 Employees**Number of employees**

The average monthly number of employees (including directors) during the period was:

	2010	2009
	Number	Number
Directors	4	4
Operation of public houses	114	76
	<hr/>	<hr/>
	118	80
	<hr/> <hr/>	<hr/> <hr/>

Employment costs	2010	2009
	£	£
Wages and salaries	919,137	731,816
Social security costs	64,894	50,885
	<hr/>	<hr/>
	984,031	782,701
	<hr/> <hr/>	<hr/> <hr/>

BRITISH COUNTRY INNS 4 PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 30 JANUARY 2010

17 Related party transactions

As at 31 January 2010 a trading balance was outstanding to British Country Inns Plc of £8,806 (2009: due from - £2,496) in respect of trading expenditure incurred on behalf of the company. The directors of British Country Inns 4 PLC are also the directors and minority shareholders in British Country Inns Plc.

As at 31 January 2010 a trading balance was outstanding from British Country Inns 2 Plc of £17,209 (2009: £27,075) in respect of trading expenditure incurred on behalf of the company. The directors of British Country Inns 4 Plc are also the directors and minority shareholders in British Country Inns 2 Plc.

As at 31 January 2010 a trading balance was outstanding from British Country Inns 3 Plc of £853 (2009: due to - £4,969) in respect of trading expenditure incurred on behalf of the company. The directors of British Country Inns 3 Plc are also the directors and minority shareholders in British Country Inns 4 Plc.

18 Reconciliation of operating loss to net cash outflow from operating activities	2010	2009
	£	£
Operating loss	(1,451,004)	(495,621)
Depreciation of tangible assets	1,072,618	91,852
Amortisation of intangible assets	202,960	20,749
Decrease/(increase) in stocks	393	(24,334)
Decrease/(increase) in debtors	1,971	(23,074)
Increase in creditors within one year	81,447	114,087
Net cash outflow from operating activities	(91,615)	(316,341)

19 Analysis of net debt	25 January 2009	Cash flow	30 January 2010
	£	£	£
Net cash:			
Cash at bank and in hand	146,194	(332,002)	(185,808)
	<u>146,194</u>	<u>(332,002)</u>	<u>(185,808)</u>
Net debt	<u>146,194</u>	<u>(332,002)</u>	<u>(185,808)</u>

BRITISH COUNTRY INNS 4 PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 JANUARY 2010**

20	Reconciliation of net cash flow to movement in net (debt)/funds	2010	2009
		£	£
	Decrease in cash in the period	(332,002)	(4,345,976)
	Movement in net (debt)/funds in the period	(332,002)	(4,345,976)
	Opening net funds	146,194	4,492,170
	Closing net (debt)/funds	<u>(185,808)</u>	<u>146,194</u>

21	Acquisitions and Disposals		
	Acquisition of unincorporated businesses		
	Net assets acquired:	2010	2009
		£	£
	Freehold	-	2,989,999
	Tangible fixed assets	-	126,500
	Stocks	-	12,894
		<u>-</u>	<u>3,129,323</u>
	Goodwill	-	111,000
		<u>-</u>	<u>3,240,393</u>
	Satisfied by:		
	Cash	-	3,240,393
		<u>-</u>	<u>3,240,393</u>
