



WADWORTH

THE BREWERS OF TASTE



WADWORTH AND COMPANY LTD
ANNUAL REPORT
& ACCOUNTS
1991



WADWORTH AND COMPANY LTD.

REPORT and ACCOUNTS 1991

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WADWORTH AND COMPANY LTD.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the One Hundred & Second Annual General Meeting of the Company will be held at the Northgate Brewery, Devizes, on Thursday 19th December, 1991, at 12.00 noon. for the following purposes.

1. To receive and consider the Report of the Directors and the Statement of Accounts for the year ended 30th September, 1991, together with the Auditors' Report thereon.
2. To declare a final dividend on the Ordinary Shares.
3. To elect Directors.
4. To elect Auditors.
5. To transact any other ordinary business of the Company.

By order of the Board,
R. I. GORDON-FINLAYSON
Secretary.

Dated this 18th Day of November, 1991

A MEMBER entitled to attend and vote may appoint a proxy to attend and vote on his behalf. The person so appointed need not be a member of the Company. Any instrument appointing a proxy must be lodged at the Company's Registered Office, Northgate Brewery, Devizes, not later than 12.30 p.m. on Monday, 16th December, 1991.

WADWORTH AND COMPANY LTD.

STATEMENT BY THE CHAIRMAN

Trade for the company's beers has remained good, particularly wholesale to other brewers. During the year our Draught Beers 6X, Farmers Glory, Henry Wadworth I.P.A. and Old Timer have all sold well. We use high quality malt made from barleys grown in this area and the Eastern Counties and the best Fuggles and Goldings hops from Worcestershire, Herefordshire and Kent.

Trading in our own licensed houses has been affected by the recession, together with a wet summer. During the year we purchased 23 licensed houses and one wine shop, previously leasehold. Having completed these purchases we now have representation in Portsmouth and Southsea and have added to our representation in the Southampton, Stroud, Cheltenham and Gloucester areas. We have also purchased The Town Mills, Andover, an attractive pub in the centre of the town on the River Anton. These properties have been purchased at reasonable prices, but some will have to be brought up to the Wadworth standard at considerable cost. In almost all these cases these pubs purchased are in heavily populated "Chimney Pot" areas, which has been our purchasing policy for some time now. Since the end of the year another two pubs for management have been purchased in Winchester and Dursley.

Once again very extensive sums have been spent on our existing properties, in particular The Cavalier, Devizes, Royal Oak, Easterton, Red Shoot, New Forest, Mallard, Lyneham, Bosun's Chair, Lymington and Bisley House, Stroud. We now have 22 pubs under management and 8 Beer and Wine Shops. They have contributed very well to the years trading. The need for food in pubs of high quality, well presented and providing good value for money is all important.

The Free Trade remains highly competitive. With more Free Houses coming along as a result of the M.M.C., hopefully we may be well placed to supply some of these. Thanks to the efforts of our sales staff and the discretion of traditional beer drinkers, nationwide sales of 6X in cans was excellent. Wines and spirits sales other than sales in our own shops, were steady, and this also applied to sales of mineral waters.

During the year a constant watch has been kept on costs. Even in this company, costs are not easy to control. A review has been carried out of all our distribution operations, and as a result sadly we have had to close our Burford Depot. In these days the high cost of double handling and having a depot only 40 miles from this brewery is uneconomical.

John Hawkins retired as a non executive director in March after serving the company very well indeed for a great number of years.

Roy Fry who has been an excellent company secretary for the last 16 years has retired and I wish to thank him for his great contribution to the company. He has been succeeded by Ian Gordon-Finlayson.

We are very lucky in who we have working for us and who spend so much time in so many ways promoting our business. I would like to thank everyone for their enthusiasm and their hard work.

J. C. BARTHOLOMEW



WADSWORTH AND COMPANY LIMITED.

ONE HUNDRED AND SECOND ANNUAL REPORT

Directors:

JOHN C. BARTHOLOMEW, *Chairman*
 CHARLES J. E. BARTHOLOMEW, *Managing Director*
 A. F. WEST R. A. J. MACDONALD
 T. HOLMES E. J. HAWKINS

P. J. BUTLER, C.B.E., F.C.A., *Financial Consultant*

DIRECTORS' REPORT

The Directors present their Report and the Financial Statements for the year ended 30th September, 1991.

Summary of Results:				1991		1990	
				£'000	£'000	£'000	£'000
Profit on ordinary activities...	...	...	...	
before tax	...	...	...		3,835		3,248
Taxation	...	...	...		1,248		1,138
					<u>2,587</u>		<u>2,110</u>
Extraordinary items	...	...	...		116		504
Leaving					<u>2,703</u>		<u>2,614</u>
which the Directors recommend should be appropriated as follows:							
Preference Dividends	...	...	...	284		238	
Ordinary Dividends	...	...	...	
Interim 3.00p (2.76p)	...	...	...	118		109	
Final 6.7p (5.92p)	...	...	...	264		233	
					<u>666</u>		<u>550</u>
Retained Profits	...	...	...		<u>2,037</u>		<u>2,037</u>

Principal Activities:

The principal activities of the Company continued to be that of brewing and packaging of beers, trading in beers, wines, spirits and mineral waters, and licensed property management.

Movement in Fixed Assets:

The movement in fixed assets during the year is set out in note 11 to the financial statements.

Capitalisation Issue:

Under resolutions passed at an Extraordinary General Meeting held on 19th December, 1990 the sum of £1,418,282 was capitalised from the Company's reserves by the issue of 630,341 new 9 $\frac{1}{4}$ % Cumulative Preference Shares of £1 each and 787,941 new "A" Ordinary Shares of £1 each, both credited as fully paid.

Directors' Interests:			30/9/91		30/9/90	
Directors' Ordinary Share Holdings:			Ordinary	'A' Ordinary	Ordinary	'A' Ordinary
J. C. Bartholomew	Beneficial		110,496	112,128	110,496	66,404
	As Trustee		127,004	295,067	127,004	210,657
C. J. E. Bartholomew	Beneficial		36,086	130,186	36,086	95,332
	As Trustee		25,848	125,862	25,848	95,502
A. F. West	Beneficial		—	7,000	—	3,200
R. A. J. Macdonald	Beneficial		—	—	—	—
T. Holmes	Beneficial		—	—	—	—

Directors' Other Holdings:		30/9/91				30/9/90			
		4% Mortgage Stock	4½% Debenture Stock	10% Preference Shares	9½% Preference Shares	4% Mortgage Stock	4½% Debenture Stock	10% Preference Shares	9½% Preference Shares
J. C. Bartholomew	Beneficial	441	565	35,874	118,380	441	565	80,833	136,999
	As Trustee	17	1,250	101,056	237,604	17	1,250	101,056	170,074
C. J. E. Bartholomew	Beneficial	—	—	14,987	14,031	—	—	—	—
	As Trustee	—	—	6,404	50,690	—	—	6,404	15,166
A. F. West	Beneficial	—	—	—	2,240	—	—	—	1,600

No changes have been reported between 30th September, 1991, and the date of this report.

Current Valuation of Land and Buildings:

The directors consider that the freehold properties have a current market value in excess of their book value. No recent independent valuation has been undertaken.

Donations

There were no political donations, and charitable donations did not exceed £200.

Board of Directors

Mr. E. J. Hawkins retired from the Board on 25th March, 1991. Mr. A. F. West retires by rotation and, being eligible, offers himself for re-election.

Auditors:

A resolution to re-appoint Messrs. David Owen & Co. as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

By order of the Board,

Northgate Brewery,
Devizes, Wilts.

18th November, 1991

R. I. GORDON-FINLAYSON
Secretary,

R. I. Gordon-Finlayson



WADSWORTH AND COMPANY LTD.

Profit and Loss Account for the year ended 30th September, 1991

						1991		1990	
						Notes	£'000	£'000	£'000
TURNOVER	...	...	...	...	...	(2)		30,430	26,356
Cost of Sales	...	...	...	...	...			18,911	16,548
GROSS PROFIT	...	...	...	...	...			11,519	9,808
Distribution Costs	...	...	...	...	...		1,643		1,463
Administrative Expenses	...	...	...	...	...		5,480		4,757
								7,123	6,220
Interest receivable	...	...	...	...	...			4,396	3,588
								300	400
Interest payable	...	...	...	...	...			4,696	3,988
								877	701
Share of results of associated company	...	...						3,819	3,287
								16	(39)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	...	...	...	...	...	(4)		3,835	3,248
TAXATION on profit on ordinary activities	...					(6)		1,248	1,138
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	...	...	...	...	...			2,587	2,110
Extraordinary Profit	...	...	...	...	...	(5)		116	504
PROFIT FOR THIS FINANCIAL YEAR	...							2,703	2,614
Dividends	...	...	...	...	...	(7)		666	580
AMOUNT TRANSFERRED TO RESERVES						(19)		2,037	2,034
Earnings per £1 Ordinary Share	...	...	...			(8)			
(a) before Extraordinary Profit	...							58.46p	47.50p
(b) after Extraordinary Profit	...							61.42p	60.30p

The notes on pages 11 to 14 form part of these financial statements



WADSWORTH AND COMPANY LTD.

Balance Sheet as at 30th September, 1991

	Notes	1991 £'000	1990 £'000
FIXED ASSETS:			
Intangible Assets	(9)	—	—
Investments	(10)	273	257
Tangible Assets	(11)	24,752	17,980
		<u>25,025</u>	<u>18,237</u>
CURRENT ASSETS:			
Stocks		1,942	2,045
Debtors	(12)	2,758	2,484
Loans and Unquoted Investments		1,258	1,410
Cash at Bank and in hand		57	2,386
		<u>6,015</u>	<u>8,325</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	(14)	5,711	4,242
Bank Overdraft		995	—
		<u>6,706</u>	<u>4,242</u>
NET CURRENT ASSETS/(LIABILITIES)		(691)	4,083
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,334</u>	<u>22,320</u>
CREDITORS:			
Amounts falling due after more than one year	(15)	6,436	6,470
Provision for deferred taxation	(16)	354	343
		<u>6,790</u>	<u>6,813</u>
NET ASSETS		<u>17,544</u>	<u>15,507</u>
CAPITAL AND RESERVES:			
Called up share capital	(17)	7,069	5,651
Revenue reserve	(18)	10,400	9,785
Profit and loss account	(19)	75	71
		<u>17,544</u>	<u>15,507</u>

Approved by the Board on 18th November, 1991

J. C. BARTHOLOMEW

C. J. E. BARTHOLOMEW

Directors

The notes on pages 11 to 14 form part of these financial statements.



WADWORTH AND COMPANY LTD.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 30th September, 1991

	1991 £'000	£'000	1990 £'000	£'000
SOURCE OF FUNDS:				
Funds generated from operations:				
Profit on ordinary activities before taxation		3,835		3,248
Adjustment for items not involving the movement of funds:				
Depreciation		645		538
(Profits) / Losses retained in Associated Company		(16)		39
		<u>4,464</u>		<u>3,825</u>
Funds from other sources:				
Debenture issue	-		5,967	
Proceeds from sale of fixed assets ...	93		589	
Proceeds from sale of investments ...	118		-	
Leasing charges - amounts falling due... after more than one year	(34)	177	(17)	6,539
		<u>4,641</u>		<u>10,364</u>
APPLICATION OF FUNDS:				
Dividends paid		635		555
Taxation paid		1,107		1,764
Purchase of tangible fixed assets ...		7,486		3,365
		<u>9,228</u>		<u>5,684</u>
Movement in Working Capital:				
Stock increase/(decrease)	(103)		319	
Debtors and Trade Loans increase ...	122		545	
Creditors (increase)/decrease	(1,282)	(1,263)	20	884
		<u>7,965</u>		<u>6,568</u>
Movement in Net Liquid Assets:				
Cash increase/(decrease)	(2,329)		2,315	
Bank overdraft decrease/(increase) ...	(995)	(3,324)	1,481	3,796
		<u>4,641</u>		<u>10,364</u>



WADSWORTH AND COMPANY LTD.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain freehold properties, and there has been no change in the basis of accounting.

(a) Turnover

Turnover represents the amounts derived from the provision of goods and services during the year, after the deduction of trade discounts and value added tax.

(b) Depreciation of fixed assets

No depreciation is provided on freehold buildings since it is the directors' opinion that expenditure on maintenance counters any depreciation which would otherwise have taken place.

Depreciation of other fixed assets is at the following rates:-

Leasehold Property	-	by equal annual instalments over the life of the lease. Leases of more than 100 years are not depreciated until the final 100 years.
Plant and Machinery	-	15% per annum on the reducing balance.
Fixtures and Fittings	-	15% per annum on the reducing balance.
Motor Vehicles	-	25% per annum on the reducing balance.

(c) Stock valuation

Stocks are stated at the lower of cost or net realisable value. The cost of finished goods and work-in-progress comprises materials, excise duty where applicable, labour and attributable production overheads.

(d) Deferred taxation

Full provision is made for the tax effect arising from timing differences due to accelerated claims for capital allowances.

(e) Pensions

The Company operates pension schemes covering the majority of its staff. The funds are administered by trustees and are independent of the Company's finances. The schemes are fully funded and contributions are paid in accordance with the recommendations of independent actuaries. The Company's contributions are charged against profits in the year in which they are made.

2. TURNOVER

	1991 £'000	1990 £'000
Turnover comprises		
Sales of beers, wines, spirits and mineral waters	28,209	24,494
Rents	2,221	1,862
	<u>30,430</u>	<u>26,356</u>

Exports amounted to £13,000 (1990 £10,000).

3. STAFF NUMBERS AND COST

The average number of persons employed by the company was 272 (1990 251), split into the following categories:-

Manufacture	42	40
Sales and Distribution	198	179
Administration	32	32
	<u>272</u>	<u>251</u>

The aggregate payroll costs of these persons were as follows:- (in £'000)

Wages and salaries	3,446	2,988
Social Security costs	286	246
Other pension costs	224	147
	<u>3,956</u>	<u>3,381</u>

Excluding pension contributions, the emoluments of the Chairman were £50,025 (1990 £49,920). The highest paid Director's emoluments were £71,587. The emoluments of the other Directors were in the following ranges:-

£5,001	up to	£5,000	1	1
£5,001	-	£10,000	1	1
£35,001	-	£40,000	1	1
£40,001	-	£45,000	1	1
£45,001	-	£50,000	1	1
£55,001	-	£60,000	1	1

Other employees' salaries in excess of £30,000 fell into the following ranges

£30,001	-	£35,000	1	1
£35,001	-	£40,000	1	1

4. PROFIT BEFORE TAXATION	1991	1990
This is stated after charging or crediting the following (in £'000)		
Investment income	300	400
Rent income	2,221	1,862
Interest on bank overdraft and other loans repayable within five years	72	153
Interest on loans repayable in more than five years.	805	548
Depreciation of tangible fixed assets	645	538
Remuneration of Auditors	31	25
Directors' emoluments	308	268
5. EXTRAORDINARY PROFIT		
This represents profits on the disposal of properties and investments, less provisions for taxation where appropriate.		
6. TAXATION		
(a) Corporation tax on the assessable profit for the year	1,253	1,100
Adjustment of prior years	(16)	2
Deferred taxation provision	11	36
	<u>1,248</u>	<u>1,138</u>
(b) The provision for taxation included in creditors is: Amounts falling due within one year	<u>1,079</u>	<u>922</u>
7. DIVIDENDS		
Preference Dividends		
On 10% Shares	92	92
On 9½% Shares	192	146
Ordinary Dividends		
Interim of 3p (1990 2.76p)	118	109
Final of 6.7p (1990 5.92p)	264	233
	<u>666</u>	<u>580</u>
8. EARNINGS PER SHARE		
The earnings per share have been based upon the net profit for the year, before and after extraordinary items, and the number of ordinary shares in issue at the end of the year. The comparative figures for 1990 have been adjusted to take account of the scrip issue of 'A' Ordinary Shares which took place on 18th December, 1990.		
9. INTANGIBLE FIXED ASSETS		
A nominal value for goodwill of £1 is included.		
10. INVESTMENTS		
The Company has a holding of 70 'B' Ordinary Shares of 50p each in Smith Giddings Ltd., representing 35% of the issued capital.		
Original cost	350	350
Share of profits (losses) retained in Associated Company	(77)	(93)
	<u>273</u>	<u>257</u>

11. TANGIBLE FIXED ASSETS

(in £'000)	Freehold Property	Leasehold Property	Plant Machinery & Motor Vehicles	Total
At cost or valuation				
Less depreciation				
Opening Balance	13,128	2,016	2,836	17,980
Additions during year	6,481	29	976	7,486
Profit on sales	24	-	-	24
	<u>19,633</u>	<u>2,045</u>	<u>3,812</u>	<u>25,490</u>
Less Sales	24	-	69	93
Depreciation	<u>-</u> 24	<u>55</u> 55	<u>590</u> 659	<u>645</u> 738
Closing Balance	<u>19,609</u>	<u>1,990</u>	<u>3,153</u>	<u>24,752</u>
1990	<u>13,128</u>	<u>2,016</u>	<u>2,836</u>	<u>17,980</u>

Freehold properties included at valuations of £653, had an historic cost of £284,	1991	1990
Leasehold properties comprised		
Long-lease (over 50 years)	1,729	1,710
Short-lease (under 50 years)	261	306
	<u>1,990</u>	<u>2,016</u>

At 30th September, 1991, capital commitments were as follows:
 Contracted but not provided for in the financial statements
 Authorised by the directors but not contracted for

76	247
-	280
<u>76</u>	<u>527</u>

12. DEBTORS

Trade debtors, all receivable within one year	2,726	2,452
Prepayments	32	32
	<u>2,758</u>	<u>2,484</u>

13. LOANS & UNQUOTED INVESTMENTS

These include loans to directors of	69	73
	<u>-</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade Creditors	4,027	2,837
Taxation	1,079	922
Social Security	23	19
Leasing commitments	38	31
Tenants' deposits	280	200
Proposed dividend	264	233
	<u>5,711</u>	<u>4,242</u>

The tenants' deposits are repayable when the licensee relinquishes his tenancy

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

4 $\frac{1}{2}$ % Debenture Stock	23	23
4 % Mortgage Stock	38	38
10 $\frac{1}{4}$ % 1st Mortgage Debenture Stock 1995/2000	350	350
12 $\frac{3}{4}$ % 1st Mortgage Debenture Stock 2015	6,000	6,000
Leasing commitments	25	59
	<u>6,436</u>	<u>6,470</u>

The 4½% Debenture Stock and 4% Mortgage Stock are redeemable at the Company's option.

The 10½% Debenture Stock is redeemable by 30th April, 2000, while the 12½% Debenture Stock is redeemable by 31st March, 2015.

Leasing commitments are payable as follows

In over 1 and less than 2 years

In over 2 and less than 5 years

1991 1990

24 39
1 20

16. DEFERRED TAXATION

Arising in respect of accelerated claims for capital allowances at 33% (1990 35%)

354 343

17. SHARE CAPITAL

1991

1990

	Authorised	Issued	Authorised	Issued
Ordinary Shares of £1 each	1,065	1,051	1,065	1,051
'A' Ordinary Shares of £1 each	2,889	2,889	2,101	2,101
10% Cumulative Preference Shares of £1 each	923	923	923	923
9% Cumulative Preference Shares of £1 each	2,206	2,206	1,576	1,576
Unclassified Shares of £1 each	917	-	1,335	-
	<u>8,000</u>	<u>7,069</u>	<u>7,000</u>	<u>5,651</u>

18. RESERVES - REVENUE

Opening balance

9,785 7,785

Add transfer from Profit and Loss Account

2,033 2,033

11,818 9,818

Less applied in scrip issue of 'A' Ordinary and 9% Preference Shares

1,418 -

Discount on issue of 12½% Debenture

- 33

10,400 9,785

19. RESERVES - PROFIT AND LOSS ACCOUNT

Opening balance

71 70

Retained profits

2,037 2,034

2,108 2,104

Less transfer to Revenue Reserves

2,033 2,033

75 71

20. SUBSIDIARIES

The Company has the following wholly-owned subsidiary:-

Wadworth & Co (Burford) Ltd. Brewers and distributors of beers.

This Company has not traded during the year.

REPORT OF THE AUDITORS TO THE MEMBERS OF

WADWORTH AND COMPANY LTD.

We have audited the financial statements on pages 8 to 14 in accordance with approved Auditing Standards. The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain freehold properties.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30th September, 1991, and of its profit and source and application of funds for the year then ended, and comply with the Companies Act 1985.

17 MARKET PLACE
DEVIZES, WILTS.
18th November, 1991

DAVID OWEN & Co.,
Registered Auditors



WADWORTH AND COMPANY LTD.

STATISTICAL REVIEW

TRADING RECORD

	1987	1988	1989	1990	1991
Turnover	<u>19,316</u>	<u>21,340</u>	<u>23,521</u>	<u>26,356</u>	<u>30,430</u>
Profit on Ordinary Activities before taxation	<u>2,163</u>	<u>2,473</u>	<u>2,811</u>	<u>3,248</u>	<u>3,835</u>
Taxation	<u>762</u>	<u>854</u>	<u>1,005</u>	<u>1,138</u>	<u>1,248</u>
	<u>1,401</u>	<u>1,619</u>	<u>1,806</u>	<u>2,110</u>	<u>2,587</u>
Extraordinary Profit	<u>582</u>	<u>597</u>	<u>1,155</u>	<u>504</u>	<u>116</u>
Profit for the Year	<u>1,983</u>	<u>2,216</u>	<u>2,961</u>	<u>2,614</u>	<u>2,703</u>
Dividends	<u>401</u>	<u>490</u>	<u>541</u>	<u>580</u>	<u>666</u>
Amount retained	<u>1,582</u>	<u>1,726</u>	<u>2,420</u>	<u>2,034</u>	<u>2,037</u>
Dividends per Ordinary Share	6.0p	6.8p	7.68p	8.68p	9.7p
Fixed Assets	<u>9,486</u>	<u>12,289</u>	<u>15,534</u>	<u>18,237</u>	<u>25,025</u>
Current Assets	<u>4,937</u>	<u>5,290</u>	<u>5,146</u>	<u>8,325</u>	<u>6,015</u>
	<u>14,423</u>	<u>17,579</u>	<u>20,680</u>	<u>26,562</u>	<u>31,040</u>
Current Liabilities	<u>3,617</u>	<u>4,999</u>	<u>6,379</u>	<u>4,242</u>	<u>6,706</u>
	<u>10,806</u>	<u>12,580</u>	<u>14,301</u>	<u>22,320</u>	<u>24,334</u>
Long-term Liabilities	<u>1,446</u>	<u>1,494</u>	<u>795</u>	<u>6,813</u>	<u>6,790</u>
Net Assets	<u>9,360</u>	<u>11,086</u>	<u>13,506</u>	<u>15,507</u>	<u>17,544</u>
Issued Share Capital	<u>4,863</u>	<u>5,651</u>	<u>5,651</u>	<u>5,651</u>	<u>7,069</u>
Reserves	<u>4,497</u>	<u>5,435</u>	<u>7,855</u>	<u>9,856</u>	<u>10,475</u>
	<u>9,360</u>	<u>11,086</u>	<u>13,506</u>	<u>15,507</u>	<u>17,544</u>

The dividends per ordinary share have been adjusted to take account of scrip issues that have taken place during the last five years.