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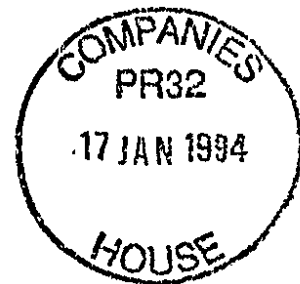


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# WADWORTH

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THE BREWERS OF TASTE



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WADWORTH AND COMPANY LIMITED  
ANNUAL REPORT AND ACCOUNTS

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1993

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# WADWORTH AND COMPANY LTD.

REPORT and ACCOUNTS 1993

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# WADWORTH AND COMPANY LTD.

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the One Hundred & Fourth Annual General Meeting of the Company will be held at the Northgate Brewery, Devizes, on Friday 17 December, 1993, at 12.00 noon for the following purposes.

### Ordinary Business

1. To receive and consider the Report of the Directors and the Statement of Accounts for the year ended 30 September, 1993, 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.

### Special Business

To consider and, if thought fit, pass the following resolutions, of which resolutions 6 and 8 will be proposed as ordinary resolutions, and resolution 7 as a special resolution:

6. THAT the authorised share capital of the Company be and it is hereby increased from £8,000,000 to £10,000,000 by the creation of 2,000,000 additional Unclassified Shares of £1 each.
7. THAT the Articles of Association be and they are hereby amended by the deletion of Article I (A) (i) and by the insertion of the following new Article I (A) (i):

"I (A) (i) The authorised share capital of the Company at the date of the adoption of this paragraph of this Article is £10,000,000 divided into 923,030 10 per cent. Cumulative Preference Shares of £1 each (hereinafter called "10 per cent. Preference Shares"), 2,994,228 9 $\frac{1}{4}$  per cent. Cumulative Preference Shares of £1 each (hereinafter called "9 $\frac{1}{4}$  per cent. Preference Shares") (the 10 per cent. Preference Shares and the 9 $\frac{1}{4}$  per cent. Preference Shares hereinafter together called "Preference Shares"), 1,065,000 Ordinary Shares of £1 each, 2,889,188 "A" Ordinary Shares of £1 each and 2,128,554 Unclassified Shares of £1 each".
8. THAT conditionally upon the passing of Resolutions 6 and 7 above the Directors be and they are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to exercise all powers of the Company to allot relevant securities as defined in that section up to an aggregate nominal amount of £1,300,000 PROVIDED THAT this authority shall expire at the end of five years from the date of the passing of this Resolution, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

This authority shall replace the existing authority given to the Directors pursuant to section 80 of the Companies Act 1985.

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

Dated this 15 day of November, 1993.

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 Tuesday, 14 December, 1993.

## WADSWORTH AND COMPANY LTD.

### STATEMENT BY THE CHAIRMAN

Our brewery, the foundation of our business, is in excellent order. It is a fine example of Victorian industrial architecture, and, as so many of my brewing friends have said to me over the years, "Well, yours at least looks like a brewery." The beer brewed at Devizes is consumed in nearly all parts of England, Wales and Scotland. It is transported from Devizes to some one hundred brewers' and wholesalers' depots by an efficient distribution system which ensures our discerning customers receive their 6X and other brews in top condition. Our beers 6X, Henry's I.P.A., Farmer's Glory, and Old Timer during the year have been a credit to the brewery staff. Another 300 barrel fermenting vessel is being installed, and also a new laboratory for quality control. We are constantly looking into ways of reducing costs. The new cast sediment collection system, designed and manufactured by our own engineers, is a case in point. Waste products in the racking room, instead of going down the drain and costing us money in effluent charges, are now collected and disposed of for agricultural use.

Our beer trade has once again shown an increase over last year, particularly to the brewers and wholesalers. The can trade also shows a useful increase to the supermarkets, helped by the new size 500ml 6X cans.

Trading in our own licensed houses has not been easy, due to high taxation on our products, whilst the free trade has been very competitive due to the excessive discounts given out by the big brewers. Our 31 managed houses did well, the trade here much helped by the high quality of their catering. Sales of wines and spirits have been depressed but with good housekeeping and a reduction in stocks we have improved the contribution from this sector. Sales of mineral waters and cider remain steady.

We are still buying pubs with good trading prospects, prices are considerably lower than three years ago. In the year we have purchased The Sun in the Wood at Newbury; The Prince's Motto at Gurney Slade, Bristol; The Red Lion, Staple Hill, Bristol; The Robin Hood, Bristol; The John Bull, Trowbridge; Skippers at Sherborne; and The Dandy Lion, Bradford-on-Avon. We have sold two small country houses.

A very considerable sum has been spent on the brewery and our licensed houses. We now have 191 fully licensed houses and 7 off-licence shops. I note we carried out major schemes at fourteen of our houses at a cost of between £72,000 and £190,000 each.

The weight of legislation continues to be heavy against us, including the most unfair Customs and Excise duty, as compared to the duty in other Common Market countries, and also the never ending government environmental health regulations and the like.

In 1997 the EEC are once again to examine the tied house system. If they try to effect any change, it will be to the advantage of the big brewers and not to the advantage of the public. To assist us to deal with this and other possibilities we have joined The Independent Family Brewers Association of Britain, this being a new association of family brewers such as ourselves who think alike, and we hope will deter the EEC.

Once again I wish to record my appreciation of the enthusiastic and hard work shown by all those who work for the company.

J. C. BARTHOLOMEW



# WADWORTH AND COMPANY LTD.

## ONE HUNDRED AND FOURTH ANNUAL REPORT

### Directors:

JOHN C. BARTHOLOMEW, *Chairman*  
 CHARLES J. E. BARTHOLOMEW, *Managing Director*  
 A. F. WEST    R. A. J. MACDONALD,  
 T. HOLMES    R. I. GORDON-FINLAYSON

P. J. BUTLER, CBE., FCA., *Financial Consultant*

### DIRECTORS' REPORT

The Directors present their Report and the Financial Statements for the year ended 30 September, 1993

Summary of Results:	1993	1992
	£,000	£,000
Profit on ordinary activities before taxation	5,272	4,467
Taxation	<u>1,717</u>	<u>1,471</u>
Profit for this financial year	3,555	2,996

The Directors recommend that this should be appropriated as follows:

Preference Dividends	296	296
Ordinary Dividends		
Interim 3.8p (3.4p)	150	134
Final 8.5p (7.6p)	<u>335</u>	<u>300</u>
	781	730
Retained Profits	<u>2,774</u>	<u>2,266</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 10 to the financial statements.

### Capitalisation Issue:

Under resolutions passed at an Extraordinary General Meeting held on 30th September, 1993 the sum of £787,938 was capitalised from the Company's reserves by the issue of £787,938 new 9 1/4% Cumulative Preference Shares of £1 each

**Directors' Interests:****Directors' Ordinary Share Holdings:**

		30/9/93		30/9/92	
		Ordinary	'A' Ordinary	Ordinary	'A' Ordinary
J. C. Bartholomew	Beneficial	112,496	120,378	110,496	117,378
	As Trustee	109,102	290,592	109,102	290,592
C. J. E. Bartholomew	Beneficial	37,086	130,672	36,086	130,186
	As Trustee	25,848	125,862	25,848	125,862
A. F. West	Beneficial	1,000	10,000	-	10,000
R. A. J. Macdonald	Beneficial	-	-	-	-
T. Holmes	Beneficial	-	-	-	-
R. I. Gordon-Finlayson	Beneficial	23,792	52,802	23,792	52,802

**Directors' Other Holdings:**

		30/9/93				30/9/92			
		4%	4 1/2%	10%	9 1/4%	4%	4 1/2%	10%	9 1/4%
		Mortgate	Debenture	Preference	Preference	Mortgate	Debenture	Preference	Preference
		Stock	Stock	Shares	Shares	Stock	Stock	Shares	Shares
J. C. Bartholomew	Beneficial	441	565	35,874	164,954	441	565	35,874	118,380
	As Trustee	267	1,250	101,056	283,651	267	1,250	101,056	237,604
C. J. E. Bartholomew	Beneficial	—	—	87	33,551	—	—	6,987	5,500
	As Trustee	—	—	6,404	81,032	—	—	6,404	50,690
A. F. West	Beneficial	—	—	—	2,200	—	—	—	—
R. I. Gordon-Finlayson	Beneficial	—	—	—	32,262	—	—	—	—

Holdings of 9 1/4 % Preference Shares have been sold by the following since the year end and up to the date of this report.

J. C. Bartholomew	13,000
C. J. E. Bartholomew	14,000
R. I. Gordon-Finlayson	12,236

**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.

**Disabled Employees:**

Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is given. It is the policy of the Company that the training, career development, and promotion of disabled persons should, as far as possible, be identical with that of other employees.

**Employee Consultation:**

The Company places considerable value on the involvement of its employees, and has continued its previous practice of keeping them informed on matters about the Company and those issues affecting them as employees, through formal and informal meetings.

**Donations:**

There were no political donations. Charitable donations amounted to £5,000.

**Board of Directors:**

Mr. R. A. J. Macdonald retires by rotation and, being eligible, offers himself for re-election.

Northgate Brewery  
Devizes, Wilts.  
15 November, 1993

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





# WADWORTH AND COMPANY LTD.

## Profit and Loss Account for the year ended 30 September, 1993

							1993		1992	
							Notes	£'000	£'000	£'000
							(2)			
TURNOVER	...	...	...	...	...	...		36,380		33,845
Cost of Sales	...	...	...	...	...	...		<u>21,486</u>		<u>20,750</u>
GROSS PROFIT	...	...	...	...	...	...		14,894		13,095
Distribution Costs	...	...	...	...	...	...		3,687		3,250
Administrative Expenses	...	...	...	...	...	...		<u>5,085</u>		<u>4,479</u>
								8,772		7,729
Operating Profit	...	...	...	...	...	...		6,122		5,366
Exceptional items:-								59		19
Profit on disposal of fixed assets	...	...	...	...	...	...		—		(7)
Share of results of associated company	...	...	...	...	...	...		—		—
Profit on ordinary activities before interest	...	...	...	...	...	...		6,181		5,378
Interest payable less receivable	...	...	...	...	...	...		<u>909</u>		<u>911</u>
PROFIT ON ORDINARY ACTIVITIES										
BEFORE TAXATION	...	...	...	...	...	...	(4)	5,272		4,467
TAXATION on profit on ordinary activities	...	...	...	...	...	...	(5)	<u>1,717</u>		<u>1,471</u>
PROFIT FOR THE FINANCIAL YEAR	...	...	...	...	...	...		3,555		2,996
Dividends	...	...	...	...	...	...	(6)	<u>781</u>		<u>730</u>
RETAINED PROFIT TRANSFERRED TO RESERVES							(18)	<u>2,774</u>		<u>2,266</u>
Earnings per £1 Ordinary Share	...	...	...	...	...	...	(7)	82.71p		68.52p

## Statement of total recognised gains and losses

Profit for the financial year	...	...	...	...	...	...		3,555		2,996
Unrealised deficit on write down of investment in Smith Giddings Ltd	...	...	...	...	...	...		—		(176)
								<u>3,555</u>		<u>2,820</u>

The notes on pages 11 to 15 form part of these financial statements



# WADWORTH AND COMPANY LTD.

Balance Sheet as at 30 September, 1993

	Notes	1993 £'000	1992 £'000
<b>FIXED ASSETS</b>			
Tangible Assets ... ..	(10)	31,903	29,196
Intangible Assets ... ..	(8)	—	—
Investments ... ..	(9)	—	—
		<u>31,903</u>	<u>29,196</u>
<b>CURRENT ASSETS</b>			
Stocks ... ..		990	1,709
Debtors ... ..	(11)	3,492	2,994
Loans and Unquoted Investments ... ..	(12)	1,046	1,382
Cash at Bank and in hand ... ..		135	140
		<u>5,663</u>	<u>6,225</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors ... ..	(13)	7,025	7,066
Bank Overdraft ... ..		1,343	1,911
		<u>8,368</u>	<u>8,977</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		(2705)	(2,752)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>29,198</u>	<u>26,444</u>
<b>CREDITORS:</b>			
Amounts falling due after more than one year	(14)	6,411	6,411
Provision for deferred taxation ... ..	(15)	379	399
		<u>6,790</u>	<u>6,810</u>
<b>NET ASSETS</b>		<u><u>22,408</u></u>	<u><u>19,634</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital ... ..	(16)	7,857	7,069
Revenue reserve ... ..	(17)	14,470	12,485
Profit and loss account ... ..	(18)	81	80
		<u><u>22,408</u></u>	<u><u>19,634</u></u>

Approved by the Board on 15 November, 1993

J. C. Bartholomew

C. J. E. Bartholomew

Directors

The notes on pages 11 to 15 form part of these financial statements





# WADWORTH AND COMPANY LTD.

## Cash Flow Statement for the year ended 30 September, 1993

	1993	1992
	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	7,798	6,447
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received ... ..	71	69
Interest paid ... ..	(970)	(984)
Dividends paid ... ..	(745)	(694)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(1,644)	(1,609)
TAXATION		
Corporation tax paid (including Advance Corporation Tax)	(1,439)	(1,298)
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(4,506)	(4,571)
Receipts from sales of tangible fixed assets	354	198
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(4,152)	(4,373)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	563	(833)
FINANCING		
Issue of ordinary share capital	—	—
Repurchase of debenture loan	—	—
Expenses paid in connection with share issues	—	—
NET CASH INFLOW FROM FINANCING	—	—
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	563	(833)
	563	(833)

Reconciliations and analyses can be found in Section 20 of the  
Notes to the Financial Statements



## 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

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) Stocks

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) Investments

Investments in associated undertakings are stated at the Company's share of the fair value of the underlying net assets less provisions. Current asset investments are stated at cost less provision for any permanent diminution in value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

##### (e) Deferred taxation

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

##### (f) 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

	1993 £'000	1992 £'000
Turnover comprises:		
Sales of beers, wines, spirits and mineral waters	34,516	32,116
Rents	1,864	1,729
	<u>36,380</u>	<u>33,845</u>
Exports amounted to	14	14

#### 3. STAFF NUMBERS AND COST

The average number of persons employed by the company was 317 (1992 294), split into the following categories:-

Manufacture	51	43
Sales and Distribution	231	219
Administration	35	32
	<u>317</u>	<u>294</u>
The aggregate payroll costs of these persons were as follows:- (in £'000)		
Wages and salaries	4,170	3,679
Social Security costs	336	268
Other pension costs	275	233
	<u>4,781</u>	<u>4,180</u>

Excluding pension contributions, the emoluments of the Chairman were £33,460 (1992 £43,591). The highest paid Director's emoluments were £92,792. The emoluments of the other Directors were in the following ranges:-

£25,001	-	£30,000
£45,001	-	£50,000
£55,001	-	£60,000
£65,001	-	£70,000
£75,001	-	£80,000

1993	1992
£'000	£'000

-	1
-	1
2	1
1	1
1	-

#### 4. PROFIT BEFORE TAXATION

This is stated after charging or crediting the following (in £'000):-

Interest received	68	73
Rent income	1,864	1,729
Interest on bank overdraft and other loans payable within five years	172	179
Interest on loans repayable in more than five years	805	805
Depreciation of tangible fixed assets	795	747
Auditors' remuneration - audit services	19	18
- other services	15	14
Directors' Emoluments	442	381

#### 5. TAXATION

(a) Corporation tax on the assessable profit for the year	1,660	1,425
Adjustment of prior years	(2)	-
Deferred taxation provision	59	46
	<u>1,717</u>	<u>1,471</u>
(b) The provision for taxation included in creditors is:		
Amounts falling due within one year	<u>1,503</u>	<u>1,205</u>

#### 6. DIVIDENDS

Preference Dividends		
on 10% Shares	92	92
on 9 1/4% Shares	204	204
Ordinary Dividends		
Interim of 3.8p (1992 3.4p)	150	134
Final of 8.5p (1992 7.6p)	335	300
	<u>781</u>	<u>730</u>

#### 7. EARNINGS PER SHARE

This has been calculated as follows		
Profit for the year less preference dividends	3,259	2,700
Number of ordinary shares issued	3,940	3,940
Earnings per ordinary share	82.71p	68.52p

#### 8. INTANGIBLE FIXED ASSETS

A nominal value for goodwill of £1 is included

#### 9. INVESTMENTS

The Company has a holding of 70 'B' Ordinary shares of 50p each in Smith Giddings Ltd., representing 35% of the issued capital. This company operates the Beetle & Wedge Hotel, Moulsoford, Oxford, and in view of the depletion in its reserves caused by trading losses, and the uncertainty of the value of the investment, the book value has been written off in previous years.

**10. TANGIBLE FIXED ASSETS**  
(in £'000)

	Freehold Property	Leasehold Property	Plant Machinery & Motor Vehicles	Total
At cost or valuation				
Opening balance	23,420	2,191	7,271	32,882
Additions	2,427	141	1,218	3,786
Disposals	(163)	-	(202)	(365)
Closing balance	<u>25,684</u>	<u>2,332</u>	<u>8,287</u>	<u>36,303</u>
Depreciation				
Opening balance	-	227	3,459	3,686
Charge for the year	-	47	748	795
Withdrawn on disposals	-	-	(81)	(81)
Closing balance	<u>-</u>	<u>274</u>	<u>4,126</u>	<u>4,400</u>
Net Book Value				
1993	<u>25,684</u>	<u>2,057</u>	<u>4,161</u>	<u>31,903</u>
1992	<u>23,420</u>	<u>1,964</u>	<u>3,812</u>	<u>29,196</u>

Freehold properties included at valuation of £631 had an historic cost of £275

	1993 £'000	1992 £'000
Leasehold properties comprised		
Long-lease (over 50 years)	1,751	1,757
Short-lease (under 50 years)	306	207
	<u>2,057</u>	<u>1,964</u>

At 30 September 1993 capital commitments were as follows:

Contracted but not provided for in the financial statements	566	362
Authorised by the directors but not contracted for	855	-
	<u>1,421</u>	<u>362</u>

**11. DEBTORS**

Trade debtors, all receivable within one year	3,437	2,981
Prepayments	55	13
	<u>3,492</u>	<u>2,994</u>

**12. LOANS AND UNQUOTED INVESTMENTS**

These include:

Loans to directors	42	66
Loans to employees	109	136

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1993 £'000	1992 £'000
Trade Creditors	3,499	4,154
Corporation Tax	1,503	1,205
Social Security and other taxes	1,294	1,073
Leasing commitments	-	18
Tenants' deposits	394	316
Proposed dividend	335	300
	<u>7,025</u>	<u>7,066</u>

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

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
4½% Debenture Stock	23	23
4 % Mortgage Stock	38	38
10¾% 1st Mortgage Debenture Stock 1995/2000	350	350
12¾% 1st Mortgage Debenture Stock 2015	6,000	6,000
	<u>6,411</u>	<u>6,411</u>

The 4½% Debenture Stock and 4% Mortgage Stock are redeemable at the Company's option.  
The 10¾% Debenture Stock is redeemable by 30 April, 2000, while the 12¾% Debenture Stock is redeemable by 31 March, 2015.

#### 15. DEFERRED TAXATION

Arising in respect of accelerated claims for capital allowances, at 33% (1992 33%)	379	399
	<u>379</u>	<u>399</u>

16. SHARE CAPITAL	1993		1992	
	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	2,889	2,889
10% Cumulative Preference Shares of £1 each	923	923	923	923
9¼% Cumulative Preference Shares of £1 each	2,994	2,994	2,206	2,206
Unclassified Shares of £1 each.	129	-	917	-
	<u>8,000</u>	<u>7,857</u>	<u>8,000</u>	<u>7,069</u>

On 30 September 1993 there was a scrip issue of 9¼% Preference Shares, on the basis of 1 for every 5 Ordinary or 'A' Ordinary Shares

	1993 £'000	1992 £'000
<b>17. RESERVES - REVENUE</b>		
Opening balance	12,485	10,400
Add transfer from Profit and Loss Account.	2,773	2,261
	<u>15,258</u>	<u>12,661</u>
Less applied in scrip issue of 9 1/4% Preference Shares. write down of investment in Smith Giddings Ltd.	788 -	- 176
Closing balance	<u>14,470</u>	<u>12,485</u>
<b>18. RESERVES - PROFIT AND LOSS ACCOUNT</b>		
Opening balance	80	75
Retained profits	2,774	2,266
	<u>2,854</u>	<u>2,341</u>
Less transfer to Revenue Reserves	2,773	2,261
Closing balance	<u>81</u>	<u>80</u>
<b>19. SUBSIDIARIES</b>		
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.		
<b>20. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>A Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities.</b>		
Operating Profit	6,122	5,366
Depreciation Charges	795	747
Decrease in stocks	719	233
(Increase) in debtors	(165)	(357)
Increase in creditors	327	458
Net cash inflow from operating activities	<u>7,798</u>	<u>6,447</u>
<b>B Analysis of changes in cash and cash equivalents during the year</b>		
Opening balance	(1,771)	(938)
Net cash inflow/(outflow)	563	(833)
Closing balance	<u>(1,208)</u>	<u>(1,771)</u>
<b>C Analysis of the balances of cash and cash equivalents as shown in the Balance Sheet</b>		<b>Change in Year</b>
	<u>1993</u>	<u>1992</u>
Cash at Bank and in hand	135	140
Bank Overdrafts	(1,343)	(1,911)
	<u>(1,208)</u>	<u>(1,771)</u>
		<u>563</u>

## WADWORTH AND COMPANY LTD.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by law to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that year. They are responsible for maintaining adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

In preparing the financial statements on a going concern basis, the Directors believe that reasonable and prudent judgements and estimates have been made. In line with their responsibilities, the Directors confirm that they believe that suitable accounting policies have been consistently applied and that applicable accounting standards have been followed, with the exception of the depreciation of freehold buildings as explained in the accounting policies.

### REPORT OF THE AUDITORS TO THE MEMBERS OF

## WADWORTH AND COMPANY LTD.

We have audited the financial statements on pages 8 to 15 which have been prepared on the basis of the accounting policies set out on page 11.

#### Respective responsibilities of Directors and Auditors:

As described above the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based upon our audit, on these statements and to report our opinion to you.

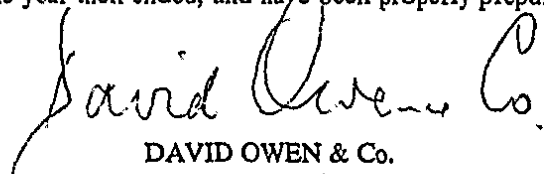
#### Basis of opinion:

We conducted our audit in accordance with 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.

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 mis-statement, 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 affairs of the Company at 30 September, 1993, and of the Company's profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



DAVID OWEN & Co.

Chartered Accountants  
Registered Auditors.

17 MARKET PLACE  
DEVIZES, WILTS.  
15 NOVEMBER, 1993

# WADSWORTH AND COMPANY LTD.

## STATISTICAL REVIEW

### TRADING RECORD

	1989	1990	1991	1992	1993
Turnover	<u>23,521</u>	<u>26,356</u>	<u>30,430</u>	<u>33,845</u>	<u>36,380</u>
Profit on Ordinary Activities before taxation	2,811	3,248	3,835	4,448	5,213
Taxation	<u>1,005</u>	<u>1,138</u>	<u>1,248</u>	<u>1,471</u>	<u>1,717</u>
	1,806	2,110	2,587	2,977	3,496
Exceptional Profit	<u>1,155</u>	<u>504</u>	<u>116</u>	<u>19</u>	<u>59</u>
Profit for the year	2,961	2,614	2,703	2,996	3,555
Dividends	<u>541</u>	<u>580</u>	<u>666</u>	<u>730</u>	<u>781</u>
Amount retained	<u>2,420</u>	<u>2,034</u>	<u>2,037</u>	<u>2,266</u>	<u>2,774</u>
Dividends per Ordinary Share	7.68p	8.68p	9.7p	11.0p	12.3p
Fixed Assets	15,534	18,237	25,025	29,196	31,903
Current Assets	<u>5,146</u>	<u>8,325</u>	<u>6,015</u>	<u>6,225</u>	<u>5,663</u>
	20,680	26,562	31,040	35,421	37,566
Current Liabilities	<u>6,379</u>	<u>4,242</u>	<u>6,706</u>	<u>8,977</u>	<u>8,368</u>
	14,301	22,320	24,334	26,444	29,198
Long-term Liabilities	<u>795</u>	<u>6,813</u>	<u>6,790</u>	<u>6,810</u>	<u>6,790</u>
Net Assets	<u>13,506</u>	<u>15,507</u>	<u>17,544</u>	<u>19,634</u>	<u>22,408</u>
Issued Share Capital	5,651	5,651	7,069	7,069	7,857
Reserves	<u>7,855</u>	<u>9,856</u>	<u>10,475</u>	<u>12,565</u>	<u>14,551</u>
	<u>13,506</u>	<u>15,507</u>	<u>17,544</u>	<u>19,634</u>	<u>22,408</u>