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**S. A. BRAIN & COMPANY LIMITED**  
**THE OLD BREWERY, CARDIFF**

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**ANNUAL  
REPORT  
1982**



# CONTENTS

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2	DIRECTORS AND OFFICERS
3	FINANCIAL HIGHLIGHTS
4	CHAIRMAN'S STATEMENT
6	REPORT OF THE DIRECTORS
8	VALUE ADDED STATEMENT
10	PROFIT AND LOSS ACCOUNT
11	BALANCE SHEET
12	SOURCE AND APPLICATION OF FUNDS
13	REPORT OF THE AUDITORS
14	ACCOUNTING POLICIES
15	NOTES ON ACCOUNTS
20	CURRENT COST STATEMENT
21	NOTES ON CURRENT COST STATEMENT
22	FIVE YEAR SUMMARY

# **S. A. BRAIN & COMPANY LIMITED**

## **DIRECTORS AND OFFICERS**

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### **DIRECTORS:**

W. E. RHYS, CHAIRMAN AND CHIEF EXECUTIVE  
C. M. BRAIN, JOINT MANAGING DIRECTOR  
I. H. STURROCK, JOINT MANAGING DIRECTOR  
R. C. MAY-HILL, F.C.A., FINANCIAL DIRECTOR AND SECRETARY  
T. G. BLACK, F.C.A., NON-EXECUTIVE DIRECTOR

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### **SECRETARY AND REGISTERED OFFICE:**

R. C. MAY-HILL, F.C.A.  
THE OLD BREWERY,  
CARDIFF

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### **AUDITORS:**

PRICE WATERHOUSE  
CHARTERED ACCOUNTANTS

### **BANKERS:**

LLOYDS BANK Plc

### **SOLICITORS:**

ADAMS & BLACK with HOWELL BUCHANAN & CO.

## FINANCIAL HIGHLIGHTS

Year ended 30 September	1982	1981
	£000	£000
Turnover	20,640	18,896
Profit on trading activities	2,524	2,698
Profit before taxation	2,772	2,825
Preference dividends	160	160
Profit attributable to equity	1,562	1,715
Transfer to properties reserve	1,175	1,360
Ordinary dividend	386	351
<hr/>		
Dividend per ordinary share	28p	25.5p
Earnings per ordinary share	113.4p	124.6p
<hr/>		
	£000	£000
Capital employed	12,315	11,072
Expenditure on fixed assets	1,681	1,596
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# S. A. BRAIN & COMPANY LIMITED

## CHAIRMAN'S STATEMENT



### GENERAL

In my statement last year I predicted further difficult times ahead for the company and unfortunately my pessimism was not ill founded. Shortly after I completed last year's statement the country was subjected to quite exceptional snow storms. An area in South Wales, coinciding all too closely with the company's trading area, was one of the most severely affected regions.

The arrival of spring brought signs of recovery and for three months trade was comparable with the previous year. However, the recovery was short lived and the summer months saw a decline which is still continuing.

On the brighter side the company has modestly but proudly publicised the centenary of the original partnership between Samuel Arthur Brain and his uncle, Joseph Benjamin Brain. The cover of this report has been specially commissioned to commemorate this centenary. The illustrations show that although the company has progressed and expanded, some parts of the fabric which were fundamental to the brewing of beer on the Old Brewery site in the days of Queen Victoria are still recognisable.

### TRADE

The decline in production for the year exactly reflects the national decrease for the industry. The male unemployment figure in the company's principal trading area in October 1982 was reported to be 17.4 per cent on the new basis of calculation, and one need not look further for one of the major factors contributing to our decline in trade.

### FINANCIAL

The fact that the net profit for the year is very close to the corresponding figure for last year is a very creditable reflection on all employees of the company when one considers the fall in trade.

Once again economies have been made which have completely offset the effect of rising costs of raw material and labour. This is the second year in which significant economies have been reflected in the accounts but there is a limit to their scope and the time will arrive when increased sales volume will be essential to maintain the company's position.

The directors are still of the opinion that at present the production of a current cost balance sheet is not justified. This is a policy that is continually reviewed but in the meantime the auditors have been obliged once again to refer to the matter in their report.

### TIED TRADE

During the year the new public house near Bridgend was opened and named "The Two Brewers" as a compliment to the co-founders of the company. A commemorative set of pictures reflecting their original partnership has been incorporated in the foyer. The Marine Hotel, Barry Island has also been re-opened thus once again establishing the company's presence on that island. Major refurbishments have been undertaken at The Station, Cogan, The Duke of Wellington in Cardiff and The Packet at Cardiff Docks.

The estate has also been increased by the purchase of two existing public houses, at opposite ends of our trading area, in Bath and in Aberkenfig.

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## FREE TRADE

This has been a particularly difficult year for the free trade department with sales dropping and competition becoming more fierce. The prolonged recession is now being reflected in the number of free trade outlets that are being forced to close their doors, a situation that always results in a loss of trade and sometimes a bad debt. During the year the number of representatives in the department has been increased as part of the company's policy of increasing its area in order to offset some of the effects of the decrease in trade.

## STAFF AND EMPLOYEES

Once again I must pay sincere tribute to the hard work and dedication of our employees. Although this is a tradition of the company's workforce and not of itself exceptional, true dedication was exhibited at its best during the second week of January last year. In appalling conditions many employees walked miles to and from work on several consecutive days. Due to their efforts Brains had drays out delivering to a limited number of customers some two days before any of its competitors. However, these supreme efforts were in no way helped by the apparent lack of action by the local authorities who proved that they were totally unprepared for extreme weather conditions. I cannot praise too highly those employees who got to work by whatever means and who then kept the beer flowing albeit to a limited number of customers.

## THE FUTURE

The board intends to continue its policy of investing in both the tied and the free trade in order that the company may be well placed to benefit from the upturn in trade that must surely come with the end of the current recession. Whether this upturn occurs within the next year, possibly as the result of pre-election moves by the government, or whether it is more distant I cannot speculate. Whatever the timing the company's investment plans are based primarily on long term assessments. Irrespective of the economic climate of the country there is a discernable shift of the population from the inner urban areas to the suburban estates. The speed of development of these estates is effected by the economic climate but the company needs to be represented in those growth areas where its potential customers will be residing in future years.

The present position within the industry is further complicated by outstanding E.E.C. regulations. The likely impact on the industry has not been fully understood in many quarters including the House of Commons. A final draft of the proposals has yet to be agreed but present indications are that the industry will have to review its policy in respect of its tied estates.

Finally, in this centenary year I look forward to the prospect of the next hundred years confident that the company will weather the present hard times and emerge more competitive to take advantage of better times that surely cannot be too far off.

W. E. RHYS  
Chairman

# S. A. BRAIN & COMPANY LIMITED

## REPORT OF THE DIRECTORS

The Directors submit their report and the accounts of the company for the year ended 30th September, 1982.

### 1. ACTIVITIES

The company carries on business as brewers, bottlers, wine and spirit merchants, table water manufacturers and licensed property owners and managers.

### 2. PROFIT AND DIVIDENDS

	1982 £000	1981 £000
Profit after taxation as shown on page 10	1,722	1,875
Transfer to properties reserve	1,175	1,360
	<u>547</u>	<u>515</u>

The directors recommend that this balance be dealt with as follows:

	£000	£000
<b>Dividends</b>		
4% (tax free) cumulative preference		
1.7.82 2% interim	5	
4.1.83 2% final (proposed)	4	
	<u>—</u>	
4%		9
	<u>—</u>	
11% second cumulative preference		
4.1.82 5½%	75	
1.7.82 5½%	76	
	<u>—</u>	
11%		151
	<u>—</u>	
<b>Ordinary</b>		
1.7.82 2% (2%) interim (1)	28	
4.1.83 13% (12%) interim (2)	179	
1.7.83 13% (11½%) final (proposed)	179	
	<u>—</u>	
28% (25½%)		386
	<u>—</u>	

	546	511
Leaving retained profit for the year	<u>1</u>	<u>4</u>

The above figures are prepared under the historical cost convention. On page 20 the Current Cost Statement shows the impact of inflation on the results for the year.

### 3. FIXED ASSETS

The changes in the company's fixed assets are set out in note 7 to the accounts and comprise further expenditure on the tied estate and other transactions made in the normal course of business. It is considered that the market value of properties owned by the company is in excess of the book value but until such time as a full valuation is carried out the directors are unable to quantify this excess.

#### 4. EMPLOYEES

The average number of persons employed in each week during the year ended 30th September, 1982 was 1,117 (1981—1,139) and the aggregate gross remuneration paid to them for the year amounted to £4,220,000 (1981—£3,966,000).

Full and fair consideration has and will be given to employment applications from disabled persons having regard to their particular aptitude and abilities. If an appropriate vacancy is available then where practicable arrangements will be made to continue the employment of an employee who has become disabled. Disabled employees will be given fair consideration for training, career development and promotion.

#### 5. DIRECTORS

The present directors are shown on page 2 of this report.

#### 6. DIRECTORS' INTERESTS

The interests of the directors at 30th September, 1982, in shares and debentures of S. A. Brain & Company Limited were as follows:

	Ordinary Shares		4% Preference Shares		11% Preference Shares		
	1982	1981	1982	1981	1982	1981	
W. E. RHYS	42,000	42,000	65	65	20,000	22,768	Beneficial
	395,979	403,699	818	818	—	—	Non-Beneficial
C. M. BRAIN	83,610	83,610	339	339	—	—	Beneficial
	200,868	432,338	1,124	1,124	—	—	Non-Beneficial
I. H. STURROCK	750	750	—	—	—	—	Beneficial
R. C. MAY-HILL	583	583	—	—	—	—	Beneficial
	352,579	362,499	680	680	—	—	Non-Beneficial
T. G. BLACK	5,310	5,310	57	57	—	—	Beneficial
	367,379	619,899	1,262	1,932	—	—	Non-Beneficial

Other than their service contracts, no director had a material interest in any contract with the company at any time during the year.

#### 7. CHARITABLE AND POLITICAL CONTRIBUTIONS

No political contributions were made by the company.

Contributions for charitable and similar purposes in the United Kingdom amounted to £1,973 (1981—£1,902).

#### 8. AUDITORS

Price Waterhouse have indicated their willingness to be re-appointed and a resolution concerning their appointment will be submitted to the annual general meeting.

By Order of the Board,  
R. C. MAY-HILL, Secretary.

THE OLD BREWERY,  
CARDIFF

27th January, 1983



**S. A. BRAIN & COMPANY LIMITED**  
**VALUE ADDED STATEMENT**  
**YEAR ENDED 30 SEPTEMBER, 1982**

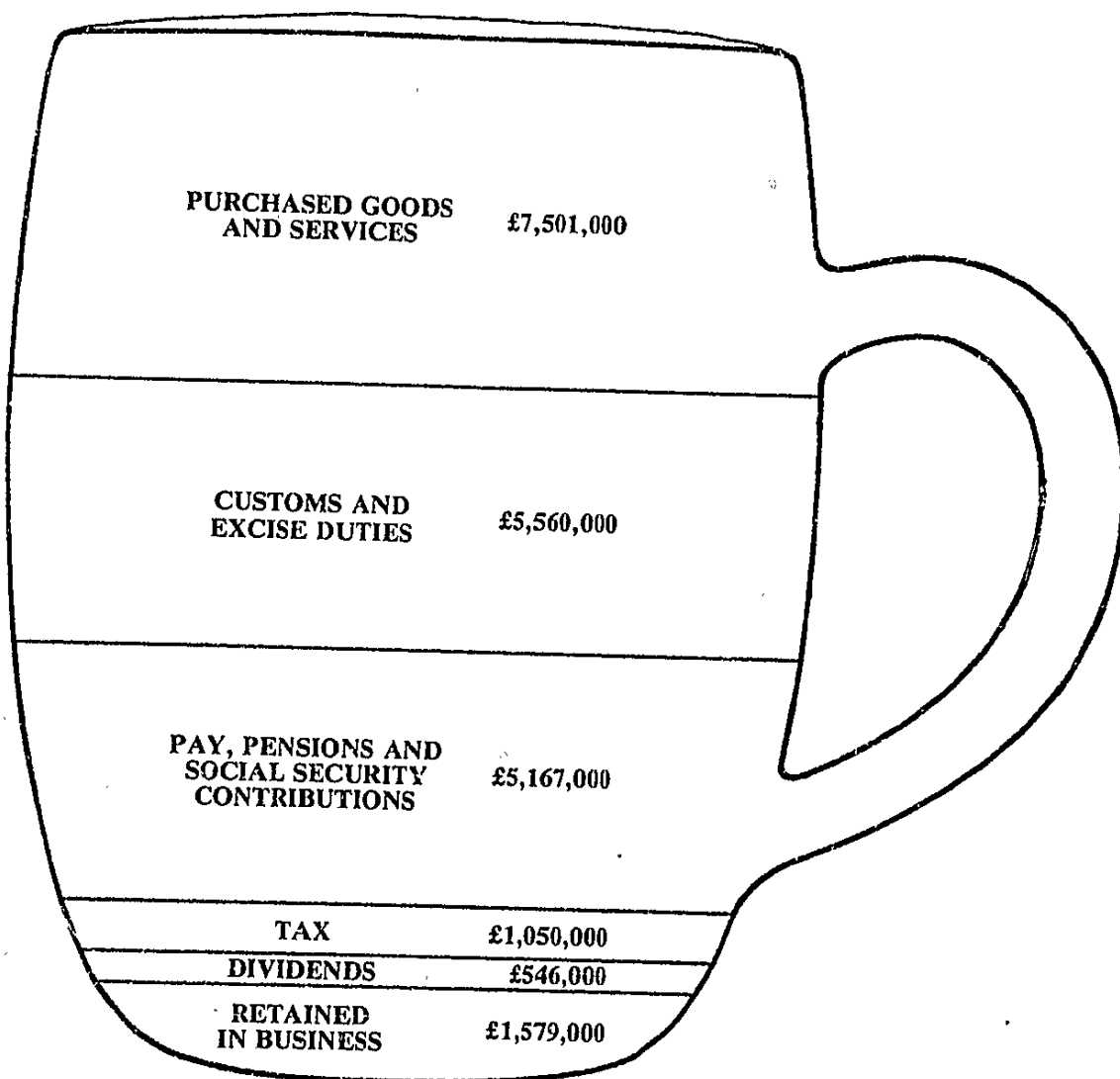
<b>VALUE ADDED</b>	<b>1982 £000</b>	<b>1981 £000</b>
Sales of goods and services to customers	20,640	18,896
Deduct: purchased goods and services customs and excise duties	(7,501) (5,560)	(6,711) (4,842)
Value added	<u>7,579</u>	<u>7,343</u>
Rental, investment and other income	763	679
	<u>8,342</u>	<u>8,022</u>
<b>DISTRIBUTION</b>		
To employees		
Pay, pension and social security contributions	5,167	4,835
To government		
Amount set aside for corporation tax	1,050	950
To shareholders		
Dividends proposed for year	546	511
Retained in the business		
Depreciation to provide for replacement of buildings, plant and equipment	403	362
Retained towards future development of properties	1,175	1,360
Retained profits	1	4
	<u>1,579</u>	<u>1,726</u>
	<u>8,342</u>	<u>8,022</u>

Value added is the difference between the total sales for the year and the cost of goods and services used in making those sales. It represents the value of work done by the company's employees, using the assets and facilities financed by the shareholders.

# HOW OUR REVENUE HAS BEEN SPENT

## YEAR ENDED 30 SEPTEMBER, 1982

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**S. A. BRAIN & COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER, 1982**

	Note	1982 £000	1981 £000
<b>TURNOVER</b>	1	20,640	18,896
<b>PROFIT BEFORE TAXATION</b>	2	2,772	2,825
<b>TAXATION</b>	3	(1050)	(950)
<b>PROFIT AFTER TAXATION</b>		1,722	1,875
<b>TRANSFER TO PROPERTIES RESERVE</b>	4	(1,175)	(1,360)
		547	515
<b>DIVIDENDS</b>			
Preference		(160)	(160)
Ordinary		(386)	(351)
<b>RETAINED PROFIT</b>	4	1	4
<b>EARNINGS PER ORDINARY SHARE</b> (accounting policies note 8)		113.4p	124.6p

The Profit and Loss Account should be read in conjunction with the notes on pages 14 to 19.

# BALANCE SHEET

30 SEPTEMBER, 1982

	Note	1982 £000	1981 £000
<b>FIXED ASSETS</b>			
TRUSTEES FOR DEBENTURE HOLDERS	7	11,489	10,330
ADVANCE CORPORATION TAX	9	211	174
	10	171	156
<b>CURRENT ASSETS</b>			
Stock	11	1,195	1,177
Debtors	12	2,687	2,493
Bank and cash balances and short term investments		1,630	1,341
		<u>5,512</u>	<u>5,011</u>
<b>CURRENT LIABILITIES</b>			
Creditors		2,627	2,605
Taxation	13	2,042	1,630
Dividends	14	399	364
		<u>5,068</u>	<u>4,599</u>
<b>NET CURRENT ASSETS</b>		444	412
		<u>12,315</u>	<u>11,072</u>
<b>SHARE CAPITAL</b>			
<b>RESERVES</b>	15	2,977	2,977
	4	8,604	7,428
		<u>11,581</u>	<u>10,405</u>
<b>LOAN CAPITAL</b>			
<b>REGIONAL DEVELOPMENT GRANT RESERVE</b>	16	4	4
		730	663
		<u>12,315</u>	<u>11,072</u>

These accounts were approved by the directors on 27th January, 1983.

W. E. RHYS, DIRECTOR

R. C. MAY-HILL, DIRECTOR AND SECRETARY

The Balance Sheet should be read in conjunction with the notes on pages 14 to 19.

*Certified a true copy of the Balance Sheet dated 30/9/82  
and of the Directors' + Auditors report.*

*W. E. Rhys* Director  
*R. C. May-Hill* Secretary

**S. A. BRAIN & COMPANY LIMITED**  
**SOURCE AND APPLICATION OF FUNDS**  
**YEAR ENDED 30 SEPTEMBER, 1982**

	1982 £000	1981 £000
<b>SOURCE</b>		
<b>Funds generated from operations</b>		
Profit before taxation	2,772	2,825
Adjustment for items not involving the flow of funds:		
depreciation less amortisation of regional development grants	403	362
profit on disposal of fixed assets	(109)	(194)
increase (1981—decrease) in market value of investments held for trustees for debenture holders	(27)	6
	<u>3,039</u>	<u>2,999</u>
<b>Funds generated from other sources</b>		
Proceeds of disposal of fixed assets	177	221
Regional development grants	118	87
	<u>3,334</u>	<u>3,307</u>
<b>APPLICATION</b>		
Dividends paid	511	477
Taxes paid	653	660
Investment in fixed assets	1,681	1,596
Trustees for debenture holders—bank deposit	10	9
	<u>(2,855)</u>	<u>(2,742)</u>
	<u>479</u>	<u>565</u>
<b>INCREASES/(DECREASES) IN WORKING CAPITAL</b>		
Stock	18	122
Debtors	194	201
Creditors	(22)	(164)
	<u>190</u>	<u>159</u>
<b>INCREASE/(DECREASE) IN NET LIQUID FUNDS</b>		
Bank and cash balances and short term investments	289	406
	<u>479</u>	<u>565</u>

This statement should be read in conjunction with the notes on pages 14 to 19.

# REPORT OF THE AUDITORS

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TO THE MEMBERS OF  
S. A. BRAIN & COMPANY LIMITED

We have audited the financial statements on pages 10 to 21 in accordance with approved auditing standards.

In our opinion:

the financial statements on pages 10 to 19 which have been prepared under the historical cost convention give a true and fair view of the state of the company's affairs at 30th September 1982, and of its profit and source and application of funds for the year then ended, and comply with the Companies Acts 1948 to 1981.

the supplementary Current Cost Statement on pages 20 to 21 has been properly prepared in accordance with the policies and methods described in the notes to give the information required by Statement of Standard Accounting Practice No. 16 with the exception that no current cost balance sheet has been prepared for the reason set out on page 21.

CARDIFF  
28th January, 1983

PRICE WATERHOUSE  
Chartered Accountants

# **S. A. BRAIN & COMPANY LIMITED**

## **ACCOUNTING POLICIES**

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### **1. BASIS OF ACCOUNTING**

The accounts are prepared under the historical cost convention except in the case of the Current Cost Statement set out on page 20.

### **2. FIXED ASSETS**

Fixed assets are shown at cost less depreciation. Assets under construction or not in use at the balance sheet date are shown as capital work in progress.

### **3. DEPRECIATION**

It is company policy to maintain public houses to a high standard so as to preserve their earning capacity. Consequently, the directors consider that no provision for depreciation is necessary on freehold public houses. No depreciation is provided on freehold land. The unexpired working lives of other freehold properties in use at 1st October, 1977 have been estimated at 50 years from that date, and accordingly have been depreciated at a rate of 2% per annum.

Other fixed assets are depreciated at rates designed to write off the cost evenly over their estimated working lives.

The rates in use are given in note 8 to the accounts.

### **4. REGIONAL DEVELOPMENT GRANTS**

Grants on eligible capital expenditure are credited to a regional development grant reserve, which is amortised over the working lives of the assets to which it refers.

### **5. STOCK**

Stock is stated at the lower of cost and net realisable value in the normal course of business. Cost includes the cost of materials, duty and manufacturing overheads. Packing stocks are valued at deposit rates, which are below replacement cost.

### **6. REPAIRS AND RENEWALS**

These are charged to expense in the year when incurred.

### **7. DEFERRED TAXATION**

No provision is made for taxation deferred by timing differences as there is a reasonable probability that the tax reduction arising therefrom will continue for the foreseeable future.

### **8. EARNINGS PER ORDINARY SHARE**

The calculation of earnings per ordinary share is based on the profit after taxation and preference dividends and 1,376,320 ordinary shares.

# NOTES ON ACCOUNTS

YEAR ENDED 30 SEPTEMBER, 1982

## 1. TURNOVER

This is the value of external sales made in the normal course of business and excludes value added tax.

## 2. PROFITS

	Note	1982 £000	1981 £000
Profit before taxation is after taking account of:			
<b>Income</b>			
Interest on government securities		7	7
Short term deposit interest		214	126
Rental income		165	140
Profit on disposal of properties		109	192
Profit on disposal of plant and vehicles		—	2
Increase (1981—decrease) in market value of investments held for trustees for debenture holders	9	27	(6)
<b>Expense</b>			
Depreciation, less amortisation of regional development grants £51,000 (1981—£41,000)	7	403	362
Directors' emoluments	5	134	118
Auditor's remuneration		8	8

## 3. TAXATION

(I) The charge to profit and loss account is corporation tax at 52% on the profit as computed for taxation purposes. This charge takes account of the benefit of the tax effect of accelerated capital allowances and other timing differences of £264,000 in respect of the current year, £59,000 relating to prior years and £37,000 attributable to stock appreciation relief, the last of which is considered to be permanent.

(II) The total tax deferred by timing differences calculated on the liability method for which provision is not made in the accounts is as follows:

	1982 £000	1981 £000
Accelerated capital allowances	2,422	2,199
Rollover of capital gains on business assets	132	115
	<u>2,554</u>	<u>2,314</u>
Less: expenditure allowable for tax in future years	(108)	(132)
	<u>2,446</u>	<u>2,182</u>

(III) The company is a close company within the meaning of section 282 of the Income and Corporation Taxes Act 1970. The Inland Revenue has given clearance on the level of distributions made for accounting periods up to 30th September, 1981.



# S. A. BRAIN & COMPANY LIMITED

## NOTES ON ACCOUNTS (continued)

### 4. RESERVES

	1982 £000	1981 £000
<b>Properties:</b>		
At beginning of year	7,309	5,949
Transfer from profit for year	1,175	1,360
At end of year	<u>8,484</u>	<u>7,309</u>
<b>Retained profits:</b>		
At beginning of year	119	115
Profit retained for year	1	4
At end of year	<u>120</u>	<u>119</u>
	<u>8,604</u>	<u>7,428</u>

In view of the company's policy for the development, extension and maintenance of its breweries and other properties, substantially all the available profit after the payment of dividends is transferred to properties reserve.

### 5. DIRECTORS' EMOLUMENTS

	1982 £	1981 £
<b>Emoluments charged in the year were:</b>		
For services as directors	2,000	2,000
Other emoluments	131,747	116,011
	<u>133,747</u>	<u>118,011</u>

The emoluments, excluding pension contributions, of the Chairman (highest paid director) amounted to £29,104 (1981—£26,210).

Emoluments, excluding pension contributions, of other directors fell within the following scales:

Scale	1982	1981
£            £		
5,001—10,000	1	1
10,001—15,000	—	—
15,001—20,000	—	—
20,001—25,000	3	3

# S. A. BRAIN & COMPANY LIMITED

## NOTES ON ACCOUNTS (continued)

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	1982 £000	1981 £000
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Scale	1982	1981
£            £		
5,001—10,000	1	1
10,001—15,000	—	—
15,001—20,000	—	—
20,001—25,000	3	3

# NOTES ON ACCOUNTS (continued)

## 6. EMOLUMENTS OF OTHER EMPLOYEES

There were no other employees whose emoluments, excluding pension contributions, exceeded £30,000 during the year (1981—None).

## 7. FIXED ASSETS

	Total £000	Properties Freehold	Long leases	Plant and equipment	Capital work in progress
		£000	£000	£000	£000
<b>Cost:</b>					
At beginning of year	12,168	6,804	1,094	3,231	1,039
Additions	1,681	179	—	416	1,086
Transfers	—	1,246	481	46	(1773)
Disposals	(149)	(55)	—	(94)	—
At end of year	<u>13,700</u>	<u>8,174</u>	<u>1,575</u>	<u>3,599</u>	<u>352</u>
<b>Depreciation:</b>					
At beginning of year	1,838	225	101	1,512	—
Charge for year	454	67	15	372	—
Disposals	(81)	—	—	(81)	—
At end of year	<u>2,211</u>	<u>292</u>	<u>116</u>	<u>1,803</u>	<u>—</u>
<b>Net book value:</b>					
30 September, 1982	<u>11,489</u>	<u>7,882</u>	<u>1,459</u>	<u>1,796</u>	<u>352</u>
30 September, 1981	<u>10,330</u>	<u>6,579</u>	<u>993</u>	<u>1,719</u>	<u>1,039</u>

## 8. DEPRECIATION

Depreciation is calculated on a straight-line basis. The main rates in use are:

Freehold properties excluding public houses	2% on cost
Plant and equipment	10-20% on cost
Motor vehicles	20% on cost
Leasehold properties	Over life of lease.

# S. A. BRAIN & COMPANY LIMITED

## NOTES ON ACCOUNTS (continued)

### 9. TRUSTEES FOR DEBENTURE HOLDERS

	1982 £000	1981 £000
Government securities at market value	111	84
Bank Deposit	100	90
	<u>211</u>	<u>174</u>

### 10. ADVANCE CORPORATION TAX RECOVERABLE

Advance corporation tax on dividends proposed at 30th September, 1982 amounted to £171,000 (1981—£156,000). This is recoverable by deduction from corporation tax payable out of future profits.

### 11. STOCK

	1982 £000	1981 £000
Raw materials and packaging	285	237
Finished goods	732	770
Stores and miscellaneous	178	170
	<u>1,195</u>	<u>1,177</u>

### 12. DEBTORS

The total includes £985,000 (1981—£1,010,000) receivable after 30th September, 1983.

### 13. TAXATION

The total includes corporation tax of £950,000 (1981—£850,000) payable on 1st January, 1984.

### 14. DIVIDENDS

	1982 £000	1981 £000
4% (tax free) cumulative preference (since paid)	4	4
11% second cumulative preference (since paid)	37	37
Ordinary—second interim (since paid)	179	165
Ordinary—final proposed	179	158
	<u>399</u>	<u>364</u>

# NOTES ON ACCOUNTS (continued)

## 15. SHARE CAPITAL

	1982 £000	1981 £000
<b>Authorised:</b>		
4% (tax free) cumulative preference shares of £10 each	250	250
11% second cumulative preference shares of £1 each	1,400	1,400
Ordinary shares of £1 each	1,400	1,400
	<u>3,050</u>	<u>3,050</u>
<b>Issued and fully-paid:</b>		
4% (tax free) cumulative preference shares of £10 each	225	225
11% second cumulative preference shares of £1 each	1,376	1,376
Ordinary shares of £1 each	1,376	1,376
	<u>2,977</u>	<u>2,977</u>

## 16. LOAN CAPITAL

	1982 £000	1981 £000
4% perpetual mortgage debenture stock	4	4

The company holds £95,673 debenture stock, all of which has been cancelled. The debenture stock is secured on various freehold and leasehold properties, and on the assets stated in note 9.

## 17. CAPITAL COMMITMENTS

	1982 £000	1981 £000
Contracts placed	380	547
Authorised but no contracts placed	<u>680</u>	<u>620</u>

## 18. CONTINGENT LIABILITIES

	1982 £000	1981 £000
Guarantees and indemnities	62	40

**S. A. BRAIN & COMPANY LIMITED**  
**CURRENT COST STATEMENT**  
**YEAR ENDED 30 SEPTEMBER, 1982**

	Note	1982 £000	1981 £000
<b>TURNOVER</b>		20,640	18,896
<b>HISTORICAL COST PROFIT BEFORE TAXATION</b>		2,772	2,825
<b>Less: CURRENT COST OPERATING ADJUSTMENTS</b>			
Depreciation	2	578	476
Fixed assets disposal	3	274	124
	4		
<b>Fixed assets</b>		852	600
<b>Cost of Sales</b>		84	151
<b>Monetary working capital</b>	5	3	(66)
	6		
<b>Working capital</b>		87	85
		939	685
<b>CURRENT COST PROFIT BEFORE TAXATION</b>		1,833	2,140
<b>TAXATION</b>	7	(1,050)	(950)
<b>CURRENT COST PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>		783	1,190
<b>DIVIDENDS</b>		(546)	(511)
<b>RETAINED CURRENT COST PROFIT</b>		237	679
<b>CURRENT COST EARNINGS PER ORDINARY SHARE</b> (accounting policies note 8)		45.3p	74.8p

This statement should be read in conjunction with the notes on page 21.

# NOTES ON CURRENT COST STATEMENT

## YEAR ENDED 30 SEPTEMBER, 1982

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1. No current cost balance sheet has been prepared as in the opinion of the directors the costs involved outweigh any benefit which might be derived.
2. The current cost operating adjustments have been calculated in accordance with Statement of Standard Accounting Practice No. 16 applicable to the profit and loss account.
3. The depreciation adjustment represents the additional charge for depreciation on the increased cost of replacing fixed assets which has been calculated, in the main, by reference to specific asset indices published by the Government Statistical Service. It includes a charge on assets which, although still in use, have been fully depreciated in the historical cost accounts. Depreciation has not been provided on freehold public houses.
4. The fixed assets disposals adjustment represents the difference between the historical and current cost net book values of assets disposed of during the year. It has the effect of reducing the profit on disposal of fixed assets disclosed in note (2) to the historical cost accounts.
5. The cost of sales adjustment represents the difference between the actual cost of stock sold and its estimated cost of replacement at the time of sale. It has been calculated using the averaging method and by reference to appropriate indices published by the Government Statistical Service.
6. The monetary working capital adjustment represents the benefit which has arisen due to the impact of rising prices, when working capital is financed partially by an excess of trade creditors over trade debtors and certain stocks not held for sale. It has been calculated using the averaging method and by reference to appropriate indices published by the Government Statistical Service.
7. The current cost profit before taxation is the surplus arising from the ordinary activities of the business after taking account of the impact of price changes on the funds needed to maintain the productive assets of the business.

# S. A. BRAIN & COMPANY LIMITED

## FIVE YEAR SUMMARY

	1982	Year Ended 30 September				1978
	£000	1981 £000	1980 £000	1979 £000		£000
<b>TRADING RESULTS</b>						
Turnover	20,640	18,896	16,814	15,104		14,093
Profit on trading activities	2,524	2,698	2,078	1,849		1,790
Profit before taxation	2,772	2,825	2,174	1,969		1,853
Profit after taxation	1,722	1,875	1,374	1,369		1,153
Extraordinary items	—	—	—	75		394
Profit attributable to equity	1,562	1,715	1,214	1,387		1,538
<b>RATIOS</b>						
Earnings per ordinary share	113.4p	124.6p	88.2p	95.4p		83.1p
Dividends per ordinary share	28.0p	25.5p	23.0p	20.0p		20.0p
	£000	£000	£000	£000		£000
<b>EMPLOYMENT OF CAPITAL</b>						
Fixed assets	11,489	10,330	9,164	8,027		6,344
Investments	211	174	171	273		261
Net current assets (including ACT)	615	568	327	417		782
	12,315	11,072	9,662	8,717		7,387
<b>CAPITAL EMPLOYED</b>						
Share capital	2,977	2,977	2,977	2,977		1,601
Reserves	8,604	7,428	6,064	5,167		5,431
Loan capital	4	4	4	4		4
RDG reserve	730	663	617	569		351
	12,315	11,072	9,662	8,717		7,387

Note: Profits and related statistics have been adapted to reflect current accounting policies.



# S. A. BRAIN & COMPANY LIMITED

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**Brains Brewery  
Centenary Year  
1882~1982**

