

BUTCOMBE BREWERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31 AUGUST 1999

NAYLOR WILLIS

Chartered Accountants & Registered Auditors
Redland House,
157 Redland Road,
Bristol,
BS6 6YE.



BUTCOMBE BREWERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1999

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BUTCOMBE BREWERY LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1999

The board of directors

S. Whitmore
Mrs M.E. Whitmore

Company secretary

Mrs M.E. Whitmore

Registered office

Butcombe
Bristol
BS40 7XQ

Auditors

Naylor Willis
Chartered Accountants
& Registered Auditors
Redland House,
157 Redland Road,
Bristol,
BS6 6YE.

Bankers

NatWest Bank plc
86-88 Bedminster Parade
Bristol
BS3 4HL

Girobank plc
Bridle Road
Bootle
Merseyside
GIR 0AA

BUTCOMBE BREWERY LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 15, together with the financial statements of the company for the year ended 31 August 1999 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

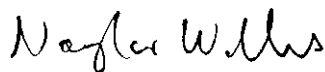
BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 15.

Redland House,
157 Redland Road,
Bristol,
BS6 6YE.



NAYLOR WILLIS
Chartered Accountants
& Registered Auditors

2 June 2000

BUTCOMBE BREWERY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year continued to be the operation of a brewery and three public houses. The company owns but does not operate a fourth public house.

The overall performance of the company was very satisfactory in view of pressure on margins.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 August 1999	At 1 September 1998
S. Whitmore	1	1
Mrs M.E. Whitmore	<u>1</u>	<u>1</u>

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 10 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

BUTCOMBE BREWERY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 1999

DONATIONS

During the year the company made the following contributions:

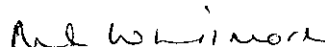
	1999	1998
	£	£
Charitable	<u>1,300</u>	<u>1,250</u>
Other	<u>549</u>	<u>1,745</u>

AUDITORS

A resolution to re-appoint Naylor Willis as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Butcombe
Bristol
BS40 7XQ

Signed by order of the directors



MRS M.E. WHITMORE
Company Secretary

Approved by the directors on 2 June 2000

BUTCOMBE BREWERY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 1999

	Note	1999 £	1998 £
GROSS PROFIT		1,761,671	1,750,499
Distribution Costs		(81,901)	(83,096)
Administrative expenses		(1,118,411)	(1,174,790)
OPERATING PROFIT	2	561,359	492,613
Interest receivable		66,335	51,441
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		627,694	544,054
Tax on profit on ordinary activities	5	(174,634)	(137,077)
RETAINED PROFIT FOR THE FINANCIAL YEAR		453,060	406,977
Balance brought forward		2,505,025	2,098,048
Balance carried forward		2,958,085	2,505,025

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 10 to 15 form part of these financial statements.

BUTCOMBE BREWERY LIMITED

YEAR ENDED 31 AUGUST 1999

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Profit for the financial year	453,060	406,977
Opening shareholders' equity funds	<u>2,505,027</u>	<u>2,098,050</u>
Closing shareholders' equity funds	<u>2,958,087</u>	<u>2,505,027</u>

The notes on pages 10 to 15 form part of these financial statements.

BUTCOMBE BREWERY LIMITED


ABBREVIATED BALANCE SHEET

31 AUGUST 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	6	<u>1,702,139</u>	<u>1,682,075</u>
CURRENT ASSETS			
Stocks	7	65,587	60,986
Debtors	8	279,294	273,921
Investments	9	1,284,583	628,620
Cash at bank and in hand		<u>340,511</u>	<u>399,700</u>
		1,969,975	1,363,227
CREDITORS: Amounts falling due within one year	10	<u>(630,521)</u>	<u>(480,831)</u>
NET CURRENT ASSETS		<u>1,339,454</u>	<u>882,396</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,041,593</u>	<u>2,564,471</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	<u>(83,506)</u>	<u>(59,444)</u>
		<u>2,958,087</u>	<u>2,505,027</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	2	2
Profit and loss account		<u>2,958,085</u>	<u>2,505,025</u>
SHAREHOLDERS' FUNDS		<u>2,958,087</u>	<u>2,505,027</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 2 June 2000 and are signed on their behalf by:


S. WHITMORE
Director

The notes on pages 10 to 15 form part of these financial statements.

BUTCOMBE BREWERY LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 1999

	1999	1998
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	764,087	679,980
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	66,335	51,441
	<hr/>	<hr/>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	66,335	51,441
TAXATION	(152,491)	(105,534)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(83,157)	(860,229)
Receipts from sale of fixed assets	2,000	-
Acquisition of other current asset investments	(655,963)	497,100
	<hr/>	<hr/>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(737,120)	(363,129)
	<hr/>	<hr/>
(DECREASE)/INCREASE IN CASH	(59,189)	262,758
	<hr/>	<hr/>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	1999	1998
	£	£
Operating profit	561,359	492,613
Depreciation	52,563	58,972
Loss on disposal of fixed assets	8,530	11,017
Increase in stocks	(4,601)	(5,769)
(Increase)/Decrease in debtors	(5,373)	75,846
Increase in creditors	151,609	47,301
	<hr/>	<hr/>
Net cash inflow from operating activities	764,087	679,980
	<hr/>	<hr/>

The notes on pages 10 to 15 form part of these financial statements.

BUTCOMBE BREWERY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 1999

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1999 £	1998 £
(Decrease)/Increase in cash in the period	(59,189)	262,758
Movement in net funds in the period	(59,189)	262,758
Net funds at 1 September 1998	<u>399,700</u>	<u>136,942</u>
Net funds at 31 August 1999	<u>340,511</u>	<u>399,700</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Sep 1998 £	Cash flows £	At 31 Aug 1999 £
Net cash:			
Cash in hand and at bank	399,700	(59,189)	340,511
Net funds	<u>399,700</u>	<u>(59,189)</u>	<u>340,511</u>

The notes on pages 10 to 15 form part of these financial statements.

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1999

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings - 1%
Leasehold property improvements - 1%
Casks - 15%
Plant and equipment - 15%
Motor vehicles - 25%
Office equipment - 15%
Cellar equipment - 15%

Depreciation is provided on a reducing balance basis.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension costs

The company operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1999

2. OPERATING PROFIT

Operating profit is stated after charging:

	1999	1998
	£	£
Depreciation	52,563	58,972
Loss on disposal of fixed assets	8,530	11,017
Auditors' remuneration		
- as auditors	5,000	4,750
Operating lease costs:		
Vehicles	<u>50,738</u>	<u>50,695</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	1999	1998
	No.	No.
Number of production staff	11	11
Number of administrative staff	2	2
Number of management staff	2	2
Number of other staff	<u>23</u>	<u>27</u>
	<u>38</u>	<u>42</u>

The aggregate payroll costs of the above were:

	1999	1998
	£	£
Wages and salaries	744,425	706,668
Social security costs	19,955	11,524
Other pension costs	-	10,375
	<u>764,380</u>	<u>728,567</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	1999	1998
	£	£
Emoluments receivable	175,000	115,125
Value of company pension contributions to money purchase schemes	-	10,375
	<u>175,000</u>	<u>125,500</u>

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1999

4. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who are accruing benefits under company pension schemes were as follows:

	1999	1998
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999	1998
	£	£
In respect of the year:		
Corporation tax based on the results for the year at 30% (1998 - 27%)	150,690	152,609
Increase/(Decrease) in deferred tax provision (Note 11):		
Capital allowances	5,360	7,087
Other	18,702	(23,928)
	<u>24,062</u>	<u>(16,841)</u>
	174,752	135,768
Adjustment in respect of previous years:		
Corporation tax	(118)	1,309
	<u>174,634</u>	<u>137,077</u>

6. FIXED ASSETS

	Brought forward 1 Sep 98	Additions	Disposals	Carried forward 31 Aug 99
	£	£	£	£
COST				
Freehold Property	1,235,542	50,569	-	1,286,111
Leasehold Property Improvements	146,829	-	-	146,829
Casks	242,510	25,525	(6,700)	261,335
Plant & Equipment	472,352	5,809	-	478,161
Motor Vehicles	17,715	-	(17,715)	-
Office Equipment	18,550	764	-	19,314
Cellar Equipment	46,039	490	-	46,529
	<u>2,179,537</u>	<u>83,157</u>	<u>(24,415)</u>	<u>2,238,279</u>

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1999

6. FIXED ASSETS *(continued)*

	Brought forward 1 Sep 98 £	Charge £	Disposals £	Carried forward 31 Aug 99 £
DEPRECIATION				
Freehold Property	13,560	-	-	13,560
Leasehold Property Improvements	17,929	-	-	17,929
Casks	155,958	16,309	(3,350)	168,917
Plant & Equipment	290,092	31,955	-	322,047
Motor Vehicles	10,535	-	(10,535)	-
Office Equipment	9,388	1,489	-	10,877
Cellar Equipment	-	2,810	-	2,810
	<u>497,462</u>	<u>52,563</u>	<u>(13,885)</u>	<u>536,140</u>

	Brought forward 1 Sep 98 £	Carried forward 31 Aug 99 £
NET BOOK VALUE		
Freehold Property	1,221,982	1,272,551
Leasehold Property Improvements	128,900	128,900
Casks	86,552	92,418
Plant & Equipment	182,260	156,114
Motor Vehicles	7,180	-
Office Equipment	9,162	8,437
Cellar Equipment	46,039	43,719
	<u>1,682,075</u>	<u>1,702,139</u>

7. STOCKS

	1999 £	1998 £
Raw Materials	37,110	38,185
Finished goods	28,477	22,801
	<u>65,587</u>	<u>60,986</u>

8. DEBTORS

	1999 £	1998 £
Trade debtors	261,223	261,189
Other debtors	2,204	2,103
Prepayments and accrued income	15,867	10,629
	<u>279,294</u>	<u>273,921</u>

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1999

9. INVESTMENTS

	1999	1998
	£	£
Other investments	<u>1,284,583</u>	<u>628,620</u>

10. CREDITORS: Amounts falling due within one year

	1999	1998
	£	£
Trade creditors	72,671	134,611
Other creditors including taxation and social security:		
Corporation tax	150,690	152,609
PAYE and social security	15,025	12,628
VAT	130,502	108,679
Other creditors	<u>9,700</u>	<u>5,000</u>
	378,588	413,527
Accruals and deferred income	<u>251,933</u>	<u>67,304</u>
	<u>630,521</u>	<u>480,831</u>

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	1999	1998
	£	£
Provision brought forward	59,444	76,285
Increase/(Decrease) in provision	<u>24,062</u>	<u>(16,841)</u>
Provision carried forward	<u>83,506</u>	<u>59,444</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	1999	1998
	£	£
Excess of taxation allowances over depreciation on fixed assets	67,152	61,792
Other timing differences	<u>16,354</u>	<u>(2,348)</u>
	<u>83,506</u>	<u>59,444</u>

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1999

12. RELATED PARTY TRANSACTIONS

The company was under the control of Mr & Mrs Whitmore throughout the current and previous year. Mr S. Whitmore is the managing director. Mr & Mrs Whitmore hold all of the company's issued shares.

The company made sales of £49,740 (1998-£49,000) to two public houses which are owned by Mr & Mrs Whitmore in partnership.

13. SHARE CAPITAL

Authorised share capital:

	1999	1998
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	1999	1998
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>