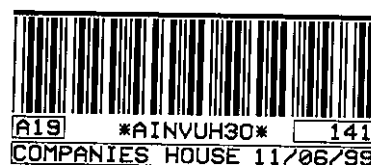


COMPANY REGISTRATION NUMBER 1383858

BUTCOMBE BREWERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 AUGUST 1998

NAYLOR WILLIS
Chartered Accountants & Registered Auditors
8 Colston Avenue,
Bristol,
BS1 4ST.



BUTCOMBE BREWERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1998

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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 2 to 5, together with the financial statements of the company for the year ended 31 August 1998 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 246 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 sections 246(5) and (6) 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

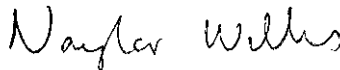
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

8 Colston Avenue,
Bristol,
BS1 4ST.

1 April 1999



NAYLOR WILLIS
Chartered Accountants
& Registered Auditors

BUTCOMBE BREWERY LIMITED

ABBREVIATED BALANCE SHEET

31 AUGUST 1998

	Note	1998 £	1997 £
FIXED ASSETS	2		
Tangible assets		<u>1,682,075</u>	<u>891,834</u>
CURRENT ASSETS			
Stocks		60,986	55,217
Debtors		273,920	349,768
Investments	3	628,620	1,125,720
Cash at bank and in hand		<u>399,700</u>	<u>136,942</u>
		1,363,226	1,667,647
CREDITORS: Amounts falling due within one year		<u>(480,831)</u>	<u>(385,146)</u>
NET CURRENT ASSETS		882,395	1,282,501
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,564,470</u>	<u>2,174,335</u>
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(59,444)</u>	<u>(76,285)</u>
		<u>2,505,026</u>	<u>2,098,050</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	2	2
Profit and loss account		2,505,024	2,098,048
SHAREHOLDERS' FUNDS		<u>2,505,026</u>	<u>2,098,050</u>

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

These financial statements were approved by the directors on the 1 April 1999 and are signed on their behalf by:



S. WHITMORE
Director

The notes on pages 3 to 5 form part of these financial statements.

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

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

Goodwill

Purchased goodwill is written off immediately against reserves. Goodwill which is generated by the activities of the company is not recognised as an asset in the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

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 employees. 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 1998

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1 September 1997	1,333,434
Additions	860,229
Disposals	(14,126)
At 31 August 1998	<u>2,179,537</u>
DEPRECIATION	
At 1 September 1997	441,599
Charge for year	58,972
On disposals	(3,109)
At 31 August 1998	<u>497,462</u>
NET BOOK VALUE	
At 31 August 1998	<u>1,682,075</u>
At 31 August 1997	<u>891,835</u>

3. INVESTMENTS

	1998 £	1997 £
Other investments	<u>628,620</u>	<u>1,125,720</u>

4. 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 £49,000 (1997-£48,342) to two public houses which are owned by Mr & Mrs Whitmore in partnership.

5. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1998

5. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	1998	1997
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>