

BUTCOMBE BREWERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31 AUGUST 2001



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

BUTCOMBE BREWERY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

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
PO Box 185
86 Bedminster Parade
Bristol
BS99 5AB

Girobank plc
Bridle Road
Bootle
Merseyside
GIR 0AA

BUTCOMBE BREWERY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2001.

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.

DIRECTORS

The directors who served the company during the year were as follows:

S. Whitmore
Mrs M.E. Whitmore

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.

DONATIONS

During the year the company made the following contributions:

	2001	2000
	£	£
Charitable	502,900	500,245
Other	2,380	4,019

BUTCOMBE BREWERY LIMITED

THE DIRECTORS' REPORT *(continued)*

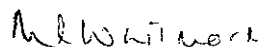
YEAR ENDED 31 AUGUST 2001

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 12 December 2001

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 2001 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

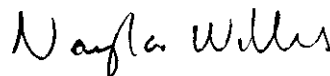
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did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

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

12 December 2001



NAYLOR WILLIS
Chartered Accountants
& Registered Auditors

BUTCOMBE BREWERY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2001

	Note	2001 £	2000 £
GROSS PROFIT		2,075,685	1,961,231
Distribution Costs		95,013	89,460
Administrative expenses		1,933,138	1,870,700
OPERATING PROFIT	2	47,534	1,071
Interest receivable		94,265	97,188
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		141,799	98,259
Tax on profit on ordinary activities	5	(1,418)	(20,531)
RETAINED PROFIT FOR THE FINANCIAL YEAR		140,381	77,728
Balance brought forward		3,035,813	2,958,085
Balance carried forward		3,176,194	3,035,813

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 2001

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	140,381	77,728
Opening shareholders' equity funds	3,035,815	2,958,087
Closing shareholders' equity funds	3,176,196	3,035,815

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

BUTCOMBE BREWERY LIMITED

ABBREVIATED BALANCE SHEET

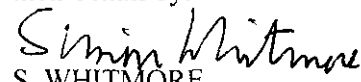
31 AUGUST 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	<u>1,752,145</u>	<u>1,727,111</u>
CURRENT ASSETS			
Stocks	7	41,839	52,143
Debtors	8	396,913	361,724
Investments	9	1,262,820	1,224,831
Cash at bank and in hand		<u>258,893</u>	<u>445,289</u>
		1,960,465	2,083,987
CREDITORS: Amounts falling due within one year	10	<u>(472,369)</u>	<u>(689,280)</u>
NET CURRENT ASSETS		<u>1,488,096</u>	<u>1,394,707</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,240,241</u>	<u>3,121,818</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(64,045)	(86,003)
		<u>3,176,196</u>	<u>3,035,815</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	2	2
Profit and Loss Account		<u>3,176,194</u>	<u>3,035,813</u>
SHAREHOLDERS' FUNDS		<u>3,176,196</u>	<u>3,035,815</u>

WARNING!!! THIS BALANCE SHEET IS OUT BY - (1)

These financial statements 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 12 December 2001 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 2001

	2001 £	2000 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(145,839)	173,825
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	94,265	97,188
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	94,265	97,188
TAXATION	(18,034)	(150,667)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Payments to acquire tangible fixed assets	(78,799)	(75,320)
Payment to acquire other current asset investments	(37,989)	59,752
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(116,788)	(15,568)
(DECREASE)/INCREASE IN CASH	(186,396)	104,778

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	47,534	1,071
Depreciation	49,911	47,081
Loss on disposal of fixed assets	3,854	3,267
Decrease in stocks	10,304	13,444
Increase in debtors	(35,189)	(82,430)
(Decrease)/Increase in creditors	(222,253)	191,392
Net cash (outflow)/inflow from operating activities	(145,839)	173,825

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2001 £	2000 £
(Decrease)/Increase in cash in the period	(186,396)	104,778
Movement in net funds in the period	(186,396)	104,778
Net funds at 1 September 2000	445,289	340,511
Net funds at 31 August 2001	258,893	445,289

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

BUTCOMBE BREWERY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2001

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Sep 2000 £	Cash flows £	At 31 Aug 2001 £
Net cash:			
Cash in hand and at bank	445,289	(186,396)	258,893
Net funds	<u>445,289</u>	<u>(186,396)</u>	<u>258,893</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 2001

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%
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 money purchase 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. In addition the company has established a money purchase pension scheme for employees. The assets of the scheme are held separately from those of the company. Contributions paid 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 2001

2. OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	£	£
Depreciation	49,911	47,081
Loss on disposal of fixed assets	3,854	3,267
Auditors' remuneration		
- as auditors	5,000	5,000
Operating lease costs:		
Vehicles	<u>57,212</u>	<u>53,957</u>

3. PARTICULARS OF EMPLOYEES

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

	2001	2000
	No.	No.
Number of production staff	10	11
Number of administrative staff	5	2
Number of management staff	5	2
Number of other staff	16	23
	<u>36</u>	<u>38</u>

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	817,077	800,172
Social security costs	22,448	24,306
Other pension costs	141,273	114,376
	<u>980,798</u>	<u>938,854</u>

4. DIRECTORS' EMOLUMENTS

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

	2001	2000
	£	£
Emoluments receivable	<u>175,000</u>	<u>208,000</u>

Emoluments of highest paid director:

	2001	2000
	£	£
Total emoluments (excluding pension contributions):	<u>115,000</u>	<u>119,765</u>

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

4. DIRECTORS' EMOLUMENTS *(continued)*

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

	2001	2000
	No.	No.
Money purchase schemes	<u>1</u>	<u>2</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£	£
Corporation Tax based on the results for the year at 20% (2000 - 20%)	23,376	18,034
(Decrease)/Increase in deferred tax provision (Note 11):		
Capital allowances	(12,595)	(1,788)
Other	(9,363)	4,285
	<u>(21,958)</u>	<u>2,497</u>
	<u>1,418</u>	<u>20,531</u>

6. TANGIBLE FIXED ASSETS

	Brought forward 1 Sep 00 £	Additions £	Disposals £	Carried forward 31 Aug 01 £
COST				
Freehold Property	1,343,446	7,351	-	1,350,797
Casks	254,801	53,518	(7,708)	300,611
Plant & Equipment	492,437	13,229	-	505,666
Office Equipment	19,314	110	-	19,424
Leasehold Property Improvements	146,829	1,190	-	148,019
Cellar Equipment	50,238	3,401	-	53,639
	<u>2,307,065</u>	<u>78,799</u>	<u>(7,708)</u>	<u>2,378,156</u>

	Brought forward 1 Sep 00 £	Charges £	Disposals £	Carried forward 31 Aug 01 £
DEPRECIATION				
Freehold Property	(13,560)	-	-	(13,560)
Casks	(179,023)	(18,816)	3,854	(193,985)
Plant & Equipment	(323,976)	(26,956)	-	(350,932)
Office Equipment	(12,143)	(1,092)	-	(13,235)
Leasehold Property Improvements	(17,929)	-	-	(17,929)
Cellar Equipment	(33,323)	(3,047)	-	(36,370)
	<u>(579,954)</u>	<u>(49,911)</u>	<u>3,854</u>	<u>(626,011)</u>

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

6. TANGIBLE FIXED ASSETS *(continued)*

	Brought forward 1 Sep 00 £	Carried forward 31 Aug 01 £
NET BOOK VALUE		
Freehold Property	1,329,886	1,337,237
Casks	75,778	106,626
Plant & Equipment	168,461	154,734
Office Equipment	7,171	6,189
Leasehold Property Improvements	128,900	130,090
Cellar Equipment	16,915	17,269
	<u>1,727,111</u>	<u>1,752,145</u>

7. STOCKS

	2001 £	2000 £
Raw Materials	17,680	27,465
Finished goods	24,159	24,678
	<u>41,839</u>	<u>52,143</u>

8. DEBTORS

	2001 £	2000 £
Trade debtors	361,320	327,309
Other debtors	17,844	19,799
Prepayments and accrued income	17,749	14,616
	<u>396,913</u>	<u>361,724</u>

9. INVESTMENTS

	2001 £	2000 £
Other investments	<u>1,262,820</u>	<u>1,224,831</u>

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

10. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	199,742	191,044
Other creditors including taxation		
Corporation Tax	23,399	18,057
PAYE and social security	20,349	33,662
VAT	157,639	147,489
Other creditors	5,000	5,000
	<u>406,129</u>	<u>395,252</u>
Accruals and deferred income	66,240	294,028
	<u>472,369</u>	<u>689,280</u>

11. DEFERRED TAXATION

	2001 £	2000 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	86,003	83,506
(Decrease)/increase in provision	(21,958)	2,497
Provision carried forward	<u>64,045</u>	<u>86,003</u>

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

	2001 £	2000 £
Excess of taxation allowances over depreciation on fixed assets	31,189	43,784
Other timing differences	32,856	42,219
	<u>64,045</u>	<u>86,003</u>

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 £45,380 (2000-£48,273) to two public houses which are owned by Mr & Mrs Whitmore in partnership.

BUTCOMBE BREWERY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

13. SHARE CAPITAL

Authorised share capital:

	2001	2000
	£	£
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>