

MANOR HOUSE (WINE MERCHANTS) LIMITED
(Registered Number 1595384)

DIRECTORS' REPORT AND ACCOUNTS

30 SEPTEMBER 2004



MANOR HOUSE (WINE MERCHANTS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2004

The directors present their report and the audited accounts of the company for the year ended 30 September 2004.

RESULTS AND DIVIDENDS

The results for the year are set out in the accompanying profit and loss account on page 5. The directors do not recommend the payment of a dividend (2003 - £nil).

DIRECTORS AND THEIR INTERESTS

The following served as directors of the company during the year. The directors' interests in the ordinary share capital of the company at the beginning and the end of the year are given below:

	Ordinary £1 shares	
	2004	2003
	Number	Number
Mr R P Davies (appointed 01.07.04)	-	-
Mr N A Williams	-	-
Mr R R Roberts (resigned 31.03.04)	-	-
Mr R C May-Hill (resigned 31.10.04) (Non-beneficial holding)	1	1
Mr J R Thomas	-	-
Mr T A Pearce (appointed 03.12.03)	-	-
Mr D P Bonney (resigned 30.06.04)	-	-
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None of the directors held any beneficial interest in the shares of the company at the year end (2003 - £nil).

MANOR HOUSE (WINE MERCHANTS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)

DIRECTORS AND THEIR INTERESTS (CONTINUED)

A number of the directors hold interests in the shares of the parent company, SA Brain & Company Limited, these are shown in the accounts of that company.

None of the directors had a material interest in any contract of significance to which this company was a party during the year.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The parent company has arranged insurance providing liability cover for directors and officers of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

MANOR HOUSE (WINE MERCHANTS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2004 (CONTINUED)

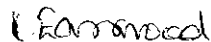
SMALL COMPANY EXEMPTIONS

In the preparation of the directors report the directors have taken advantage of the exemptions conferred by Part VIII of the Companies act 1985.

AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By Order of the Board



K Eastwood LL.B., M.B.A.
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANOR HOUSE (WINE MERCHANTS) LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes which have been prepared under the historical cost convention and the accounting policies set out in note 1.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.


Basis of audit 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 misstatement, 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 the company's affairs at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cardiff
31 January 2005

MANOR HOUSE (WINE MERCHANTS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2004

	2004 £000's	2003 £000's (restated Note 3)
TURNOVER (continuing operations) (Note 2)	3,345	2,589
COST OF SALES	(2,633)	(1,917)
	<hr/>	<hr/>
GROSS PROFIT	712	672
Administration and Distribution costs	(658)	(470)
	<hr/>	<hr/>
OPERATING PROFIT (continuing operations)	54	202
Tax on profit on ordinary activities	(20)	(60)
	<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	34	142
RETAINED PROFITS BROUGHT FORWARD	1,780	1,638
	<hr/>	<hr/>
RETAINED PROFITS CARRIED FORWARD	1,814	1,780
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There is no material difference between the result as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The profit for the financial year includes all recognised gains and losses in the year.

The notes on pages 7 to 11 form an integral part of these accounts.

MANOR HOUSE (WINE MERCHANTS) LIMITED

BALANCE SHEET - 30 SEPTEMBER 2004

	2004 £000's	2004 £000's	2003 £000's	2003 £000's
FIXED ASSETS				
Tangible assets (Note 4)		4		8
CURRENT ASSETS				
Debtors (Note 5)	1,816		1,826	
Cash at bank and in hand	41		115	
	<u>1,857</u>		<u>1,941</u>	
CREDITORS - Amounts falling due within one year (Note 6)	(47)		(169)	
	<u></u>		<u></u>	
NET CURRENT ASSETS		1,810		1,772
		<u></u>		<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,814		1,780
		<u></u>		<u></u>
CAPITAL AND RESERVES				
Called up share capital (Note 7)		-		-
Profit and loss account		1,814		1,780
		<u></u>		<u></u>
SHAREHOLDERS' FUNDS (Note 8)		1,814		1,780
		<u></u>		<u></u>

The directors have taken advantage of the exemptions conferred by Part VII of the Companies Act 1985 on the grounds that the Company is entitled to those exemptions as a small company. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements on pages 5 to 11 were approved by the board of directors on 31 January 2005 and were signed on its behalf by:


NA Williams
DIRECTOR

MANOR HOUSE (WINE MERCHANTS) LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2004

1 ACCOUNTING POLICIES

(1) Accounting convention

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

(2) Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Assets are depreciated at rates designed to write off the cost of the assets evenly over their estimated useful lives. The annual rates used are as follows:

Motor vehicles	20%
Fixtures, fittings and equipment	20%

(3) Deferred taxation

Full provision is made for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations, where future payment or receipt is more likely than not to occur. The Company has chosen not to discount deferred tax assets and liabilities.

(4) Foreign currency transactions

Liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(5) Pensions

The expected cost of pensions in respect of the defined benefit pension scheme is assessed in accordance with the advice of qualified actuaries and charged to the profit and loss account so as to spread the cost of pensions over the expected service lives of the scheme members. Variations from regular cost are amortised over the expected remaining service lives of scheme members.

MANOR HOUSE (WINE MERCHANTS) LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2003 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(6) Cash flow statement

The company is a subsidiary of S A Brain & Co Limited and the cash flows of the company are included in the consolidated group cash flow statement of that company.

Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

2 TURNOVER

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

All sales were made within the United Kingdom and result from one class of business.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following:

	2004 £000's	2003 £000's
Depreciation - owned assets	4	7
Auditors' remuneration, including expenses	-	4
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The directors have revised the allocation of cost of sales and administration and distribution expenses to more accurately reflect the nature of the costs incurred. The comparative analysis has been restated: £312,000 of costs previously included in cost of sales has been reflected as administrative and distribution expenses.

MANOR HOUSE (WINE MERCHANTS) LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2003 (CONTINUED)

4 TANGIBLE FIXED ASSETS

	Motor vehicles £000's	Fittings and equipment £000's	Total £000's
COST			
At 30 September 2003 and 30 September 2004	72	14	86
DEPRECIATION			
At 1 October 2003	65	13	78
Charge for year	3	1	4
At 30 September 2004	68	14	82
NET BOOK AMOUNT			
At 30 September 2004	4	-	4
At 30 September 2003	7	1	8

5 DEBTORS

	2004 £000's	2003 £000's
Amounts due from parent company	1,814	1,825
Deferred taxation	2	1
	1,816	1,826

MANOR HOUSE (WINE MERCHANTS) LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2003 (CONTINUED)

6 CREDITORS - Amounts falling due within one year

	2004 £000's	2003 £000's
Trade creditors	-	50
Corporation tax	26	63
Taxation and social security	21	50
Accruals	-	6
	<hr/>	<hr/>
	47	169
	<hr/>	<hr/>

7 CALLED UP SHARE CAPITAL

	2004 £000's	2003 £000's
Authorised:		
5,000 ordinary shares of £1 each	5	5
	<hr/>	<hr/>
Allotted and fully paid:		
200 Ordinary shares of £1 each	-	-
	<hr/>	<hr/>

8 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 £000's	2003 £000's
Profit for the financial year	34	142
Opening shareholders' funds	1,780	1,638
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Closing shareholders' funds	1,814	1,780
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Shareholders' funds are all attributable to equity shareholders.

MANOR HOUSE (WINE MERCHANTS) LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2003 (CONTINUED)

9 DIRECTORS AND EMPLOYEES

	2004 £000's	2003 £000's
The emoluments of the directors were as follows:		
For services as directors	1	1
Other emoluments	95	108
	<hr/>	<hr/>
	96	109
	<hr/>	<hr/>

The number of directors receiving contributions from the company into a defined benefit pension scheme was 2 (2003 - 2).

10 PENSIONS

For certain directors and employees the parent company operates a fully funded defined benefit scheme, the assets of which are held in a separate trustee administered fund. Total pension costs charged to the company amounted to £28,012 (2003 - £17,351). Further details of the pension fund are included in the accounts of S A Brain & Company Limited.

11 CONTINGENT LIABILITIES

The company has entered into an Omnibus Guarantee and Set Off Agreement in respect of the borrowings of its parent company, SA Brain & Company Limited. At 30 September 2004 the amounts due within the group under such guarantees amounted to £35,304,000 (2003 - £30,240,000). The directors do not anticipate any liability arising as a result of these guarantees. The company's bankers also hold a guarantee of £150,000 in respect of Her Majesty's Customs and Excise.

12 RELATED PARTY TRANSACTIONS

The company is exempt from disclosing transactions with fellow group companies under Financial Reporting Standard Number 8 "Related Party Transactions" as it is a 100% subsidiary of a group whose accounts are publicly available.

13 ULTIMATE PARENT COMPANY

The ultimate parent company is S A Brain & Company Limited which is incorporated and registered in England and Wales. Copies of the group accounts are held at The Cardiff Brewery, PO Box 53, Crawshay Street, Cardiff CF10 1SP.