

**The Gaymer Group Europe Limited  
and subsidiary undertakings**

**Directors' report and financial statements**

**28 February 1993**

**Registered number 2661275**

**COMPANIES HOUSE  
CARDIFF**

**22 DEC 1993**

**RECEPTION DE . <**

# The Gaymer Group Europe Limited and subsidiary undertakings

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Auditors' report	5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Balance sheet	8
Consolidated cash flow statement	9
Statement of total recognised gains and losses	10
Notes to accounts	11 - 30

# The Gaymer Group Europe Limited

## Directors' report

The directors present their report and the audited financial statements for the period from 1 October 1992 to 28 February 1993.

In accordance with Schedule 4 of the Companies Act 1985, corresponding amounts for the seven months to 30 September 1992 have been included. However, the seasonal nature of the business of the group means that the results for the two periods are not strictly comparable.

### Statement of 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 group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Principal activities and business review

The value of sales of the group after eliminating intra group transactions for the five months to 28 February 1993 was £64,503,000.

The group profit and loss account on page 6 shows a profit before taxation and minority interest of £4,100,000 and a profit attributable to shareholders of £2,845,000.

The principal activity of the group is the manufacture and distribution of Ciders, Perries, Light British Wines, British Sherries and speciality drinks.

Both the level of business and the financial position at the end of the period were satisfactory, and the directors anticipate that the present level of activity will be at least sustained for the foreseeable future.

Since the period end the group has disposed of its distribution business and certain assets at net book value for gross cash consideration of £1.6 million.

# The Gaymer Group Europe Limited

## Directors' report *(continued)*

### Research and development

Research and development of new products plays an important role in enlarging the group's portfolio and enables the group to take advantage of market opportunities.

### Proposed dividend and transfer to reserves

After deducting dividends of £1,408,000 (1992 : £1,424,000), details of which are provided in note 10 to the accounts, the profit for the period retained in the group is £1,437,000 (1992 : £2,085,000). The Articles of Association of the company did not permit the payment of a dividend on the 'A' or 'B' ordinary shares in respect of the period ended 30 September 1992 nor do they permit the payment of any dividends at 28 February 1993.

### Fixed assets

Information relating to fixed assets is given in note 11 to the financial statements.

### Market value of land and buildings

In the opinion of the directors, there were no material differences between the market value of the land and buildings of the group and their book value.

### Directors and directors' interests

The directors who held office during the period were as follows:

M Dowdall (Chairman)  
JL Wilkinson  
A Burge  
SW Curran  
DW Lascelles  
M Melvin  
CD Nicholson  
CE Robinson  
ID Taylor  
R Woolf

# The Gaymer Group Europe Limited

## Directors' report *(continued)*

### Directors and directors' interests *(continued)*

The directors who held office at the end of the financial period had the following interests in the ordinary shares of the company as recorded in the register of directors' share interests:

		Number of shares	
Class of share		At 30 September 1992	At 28 February 1993
M Dowdall	'A' ordinary shares of 1p	10,000	10,000
	'B' ordinary shares of 1p	1,333	1,333
	'A' preferred shares of 1p	10,667	10,667
JL Wilkinson	'A' ordinary shares of 1p	55,000	55,000
A Burge	'A' ordinary shares of 1p	45,000	45,000
DW Lascelles	'A' ordinary shares of 1p	45,000	45,000
M Melvin	'A' ordinary shares of 1p	45,000	45,000
CE Robinson	'A' ordinary shares of 1p	45,000	45,000
R Woolf	'A' ordinary shares of 1p	45,000	45,000

Mr Wilkinson also held a non-beneficial interest in 1 share in each of 22 subsidiary undertakings as at 28 February 1993.

In addition, Mr Nicholson has a beneficial interest in 760.5 'A' preferred shares of 1p each, 95 'B' preferred shares of 1p each and 95.1 'B' ordinary shares of 1p each.

Mr Taylor has a beneficial interest in 2,206 'A' preferred shares of 1p each, 276 'B' ordinary shares of 1p each and 1,428 'B' preferred shares of 1p each.

Mr Curran has a beneficial interest in 555 'A' preferred shares of 1p each and 68 'B' ordinary shares of 1p each, registered in the name of Candover (Trustees) Limited.

The Gaymer Group Europe Limited Employee Trust held 27,654 'A' ordinary shares of 1p each in the company as at 28 February 1993. As the executive directors of the company are amongst the potential beneficiaries of the trust, each is deemed to have a potential interest in the shares held by it, although none has received any benefit under the trust.

According to the register of directors' interests, no rights to subscribe for shares in the company or any other group company were granted to any of the directors or their immediate families, or exercised by them during the financial period.

# The Gaymer Group Europe Limited

## Directors' report *(continued)*

### Employees

The group encourages the involvement of employees in the group's performance through an employee share scheme.

The group fully recognises its responsibility for the health, safety and welfare at work for all of its employees.

The group endeavours to communicate information speedily and readily with employees on matters of concern to them. Communication is achieved by a variety of means including company newspapers, bulletins and briefing sessions. The group is committed to providing appropriate training at all levels and to help employees acquire skills and experience which enable them to fulfil their role and develop their future potential.

Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Every effort is made to continue to employ persons who become disabled while in the company's employment. Disabled persons share equally in opportunities for training, career development and promotion.

### Political and charitable contributions

The company made no political contributions during the period. Donations to UK charities amounted to £7,678.

### Liability insurance

During the period the company maintained liability insurance for its officers.

### Tax status

The company is a close company for the purposes of the Income and Corporation Taxes Act 1988.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



David Warren  
Secretary

Whitchurch Lane  
Bristol  
BS14 0JZ

20th December 1993

Richmond Park House  
15 Pembroke Road  
Clifton  
Bristol BS8 3BG

## Report of the auditors to the members of The Gaymer Group Europe Limited

We have audited the financial statement on pages 6 to 30 in accordance with Auditing Standards.

### *Respective responsibilities of directors and auditors*

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of 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 group'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 affairs of the company and the group as at 28 February 1993 and of the profit of the group for the five month period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

*20 December 1993*

Chartered Accountants  
Registered Auditors

# The Gaymer Group Europe Limited and subsidiary undertakings

Consolidated profit and loss account  
for the period from 1 October 1992 to 28 February 1993

	Note	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
Turnover	2	64,503	75,185
Cost of sales		(33,977)	(38,377)
Gross profit		30,526	36,808
Distribution costs		(3,521)	(4,666)
Administrative expenses		(20,430)	(22,694)
Trading profit		6,575	9,448
Other interest receivable and similar income	3	519	392
Interest payable and similar charges	4	(2,994)	(4,824)
Profit on ordinary activities before taxation	5-7	4,100	5,016
Tax on profit on ordinary activities	8	(1,261)	(1,520)
Profit on ordinary activities after taxation		2,839	3,496
Minority interests		6	13
Profit for the financial period	9	2,845	3,509
Dividends	10	(1,408)	(1,424)
Retained profit for the financial period		1,437	2,085

In both the current and preceding periods, the group made no material acquisitions and had no discontinued operations.

A statement of movements on reserves is given in notes 19 and 20.

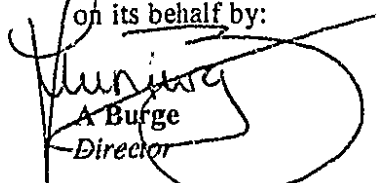


# The Gaymer Group Europe Limited and subsidiary undertakings

## Consolidated balance sheet

	Note	28 February 1993 £000	30 September 1992 £000
<b>Fixed assets</b>			
Tangible assets	11	40,595	42,251
<b>Current assets</b>			
Stocks	13	24,115	30,662
Debtors	14	36,395	43,028
Cash at bank and in hand		8,534	5,240
		69,044	78,930
<b>Creditors: amounts falling due within one year</b>	15	(31,128)	(40,583)
<b>Net current assets</b>			
Due within one year		23,750	24,372
Debtors due after one year	14	14,166	13,975
<b>Total net current assets</b>		37,916	38,347
<b>Total assets less current liabilities</b>		78,511	80,598
<b>Creditors: amounts falling due after more than one year</b>	16	(65,415)	(68,745)
<b>Provisions for liabilities and charges</b>	17	(9,352)	(11,699)
<b>Net assets</b>		3,744	154
<b>Capital and reserves</b>			
Called up share capital	18	38,725	38,724
Share premium account	19	5,114	5,053
Profit and loss account	20	2,018	1,203
		45,857	44,980
Goodwill reserve	19	(42,065)	(44,784)
		3,792	196
<b>Minority interest</b>		(48)	(42)
		3,744	154

These financial statements were approved by the board of directors on 20th December 1993 and were signed on its behalf by:

  
A Burge  
Director

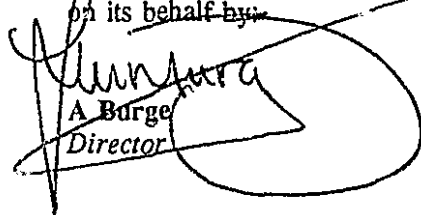
KPMG Peat Marwick

# The Gaymer Group Europe Limited

## Balance sheet

	Note	28 February 1993		30 September 1992	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Investments	12		-		-
<b>Current assets</b>					
Debtors	14	115,747		118,262	
Creditors: amounts falling due within one year	15	(7,408)		(6,485)	
<b>Net current assets</b>					
Due within one year		-		(561)	
Debtors due after one year	14	108,339		112,338	
<b>Total net current assets</b>			108,339		111,777
Creditors: amounts falling due after more than one year	16		(64,500)		(68,000)
<b>Net assets</b>			43,839		43,777
<b>Capital and reserves</b>					
Called up share capital	18		38,725		38,724
Share premium account	19		5,114		5,053
			43,839		43,777

These financial statements were approved by the board of directors on 20th December 1993 and were signed on its behalf by:

  
A. Burge  
Director

# The Gaymer Group Europe Limited and subsidiary undertakings

## Consolidated cash flow statement for the period from 1 October 1992 to 28 February 1993

	Note	5 months to 28 February 1993		7 months to 30 September 1992	
		£000	£000	£000	£000
Net cash inflow from operating activities	25		5,244		408
Returns on investments and servicing of finance					
Interest received		519		392	
Interest paid		(3,084)		(3,345)	
Dividends paid		(1,424)		-	
Net cash outflow from returns on investments and servicing of finance			(3,989)		(2,953)
Investing activities					
Purchase of tangible fixed assets		(1,501)		(1,707)	
Purchase of businesses and subsidiary undertakings (net of cash equivalents acquired)	28	5,500		(78,672)	
Sale of tangible fixed assets		361		152	
Net cash inflow/(outflow) from investing activities			4,360		(80,227)
Net cash inflow/(outflow) before financing			5,615		(82,772)
Financing					
Issue of ordinary share capital			(62)		(45,099)
Cost of issue of ordinary share capital			-		1,321
New bank loans			-		(48,000)
Repayment of bank loans			2,500		-
Cost of raising new bank loans			-		3,830
Finance leases			(117)		(64)
Net cash inflow/(outflow) from financing			2,321		(88,012)
Increase in cash and cash equivalents	26		3,294		5,240
			5,615		(82,772)

# The Gaymer Group Europe Limited and subsidiary undertakings

Statement of total recognised gains and losses  
for the period from 1 October 1992 to 28 February 1993

	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
Profit for the financial period	2,845	3,509
Currency translation differences on foreign currency net investments	318	433
	<u>3,163</u>	<u>3,942</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The financial statements have been prepared in accordance with Financial Reporting Standard 3: Reporting financial performance.

In accordance with Schedule 4 of the Companies Act 1985, corresponding amounts for the seven months to 30 September 1992 have been included. However, the seasonal nature of the business of the group means that the results for the two periods are not strictly comparable.

#### *Consolidation*

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings.

The acquisition method of accounting is adopted. Under this method, the results of subsidiary undertakings and businesses acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to date of disposal.

Goodwill arising on consolidation and purchased goodwill is written off direct to the Goodwill reserve on acquisition. The Goodwill reserve is amortised over 20 years on a straight line basis by transfer from the profit and loss account reserve.

Fair values are attributed to the net tangible assets of businesses acquired. Amendments may be made in the following accounting period to the fair value adjustments, including taxation, with a corresponding adjustment to goodwill, in the light of post acquisition experience.

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

In accordance with Section 230(4) of the Companies Act 1985, the company is exempt from the requirement to present its own profit and loss account.

#### *Fixed assets and depreciation*

Depreciation is provided by the group to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	50 years
Leasehold land and buildings	-	period of the lease
Plant and machinery	-	7 to 10 years
Vats and tanks	-	20 years
Cars	-	4 years
Commercial vehicles	-	7 years
Fixtures and fittings	-	7 to 8 years
Computer software	-	2 years

# The Gaymer Group Europe Limited and subsidiary undertakings

Notes (continued)

## 1 Accounting policies (continued)

Land and buildings are professionally valued every three years on the basis of open market value for existing use, with the exception of specialist buildings which are valued on a depreciated replacement cost basis. No depreciation is provided on freehold land.

### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

For consolidation purposes, the assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rate. The profit and loss accounts of such undertakings are translated at a weighted average rate of exchange, calculated on a monthly basis. Exchange differences arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

### *Leases*

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

### *Pension costs*

The group operates pension plans in the UK providing benefits based on final pensionable pay. The assets of the plans are held separately from those of the group. Contributions to the plans are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group. Overseas, the group operates defined benefit pension arrangements. Deferred tax is accounted for on the pension surplus, included in the accounts as a prepayment.

### *Research and development expenditure*

Expenditure on research and development is written off against profits in the period in which it is incurred.

### *Stocks*

Stocks are stated at the lower of cost and net realisable value. The cost of work in progress and finished goods manufactured by the company is taken as the cost of raw materials, customs and excise duties (where applicable) and an appropriate proportion of attributable overheads.

# The Gaymer Group Europe Limited and subsidiary undertakings

Notes (continued)

## 1 Accounting policies (continued)

### Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### Turnover

Turnover represents the amounts (including Customs and Excise duty, excluding value added tax) derived from the provision of goods and services to third party customers during the period, net of all discounts.

## 2 Analysis of turnover and profit on ordinary activities before taxation

The directors believe that the group has only one class of business, as defined in note 12. Accordingly, the following analysis is given by geographical market for the five months to 28 February 1993 and the seven months to 30 September 1992:

	United Kingdom		Europe		Rest of World		Total	
	1993	1992	1993	1992	1993	1992	1993	1992
	£000	£000	£000	£000	£000	£000	£000	£000
Turnover (by destination)								
Sales to third parties	61,682	71,818	1,947	2,964	874	403	64,503	75,185
Turnover (by origin)								
Total sales	62,891	73,648	3,167	2,704	-	-	66,058	76,352
Inter-segment sales	-	-	(1,555)	(1,167)	-	-	(1,555)	(1,167)
Sales to third parties	62,891	73,648	1,612	1,537	-	-	64,503	75,185
Trading profit	6,308	9,338	267	110	-	-	6,575	9,448
Net interest							(2,475)	(4,432)
Group profit before taxation and minority interests							4,100	5,016
Segment net assets	69,810	69,827	4,434	3,327	-	-	74,244	73,154
Group borrowings							(70,500)	(73,000)
							3,744	154

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 3 Other interest receivable and similar income

	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
Interest receivable	517	375
Exchange gains	2	17
	<u>519</u>	<u>392</u>

### 4 Interest payable and similar charges

	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
On bank loans, overdrafts and other loans wholly repayable within five years	2,924	2,936
On all other loans	-	1,817
Finance charges payable in respect of finance leases	57	71
Exchange losses	13	-
	<u>2,994</u>	<u>4,824</u>

### 5 Profit on ordinary activities before taxation

	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	1,665	2,941
Leased	138	105
Hire of other assets - operating leases	434	391
Research and development expenditure	302	171
Auditors' remuneration:		
As auditors	92	91
Other services	107	897
Less: charged to reserves	-	(879)
	<u>107</u>	<u>18</u>
<i>after crediting</i>		
Rents receivable from property	<u>1</u>	<u>1</u>



# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 5 Profit on ordinary activities before taxation (continued)

The total amount charged to revenue for the hire of plant and machinery amounted to £37,000 (1992 : £57,000). This comprises rentals payable under operating leases as well as depreciation on plant and machinery held under finance leases together with the related finance charges.

### 6 Remuneration of directors

	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
Directors' emoluments:		
As directors	20	27
Remuneration as executives (including motor vehicle, medical insurance and loan interest benefits)	295	265
Payable to third parties for services of persons as directors of the company	10	14
	<u>325</u>	<u>306</u>

The emoluments, excluding pension contributions, of the chairman were £14,583 (1992 : £20,417) and those of the highest paid director were £60,933 (1992 : £54,067).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

	Number of directors	
	5 months to 28 February 1993	7 months to 30 September 1992
£ 0 - £ 5,000	3	3
£ 5,001 - £10,000	-	1
£10,001 - £15,000	1	-
£20,001 - £25,000	-	1
£35,001 - £40,000	-	2
£40,001 - £45,000	2	3
£45,001 - £50,000	3	-
£50,001 - £55,000	-	1
£60,001 - £65,000	1	-
	<u>1</u>	<u>-</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 7 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	5 months to 28 February 1993	7 months to 30 September 1992
UK	1,073	1,089
Overseas	51	51
	<u>1,124</u>	<u>1,140</u>

The aggregate payroll costs of these persons were as follows:

	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
Wages and salaries	8,405	12,671
Social security costs	695	932
Other pension costs (see note 24)	103	148
	<u>9,203</u>	<u>13,751</u>

### 8 Taxation

	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
UK corporation tax at 33% on the profit for the period on ordinary activities including deferred taxation (see note 17)	1,155	1,494
Overseas taxation	106	26
	<u>1,261</u>	<u>1,520</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 9 Profit attributable to parent company

	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
Profit for the financial period dealt with: in the company's accounts, including dividends received from subsidiary undertaking in the accounts of the subsidiary undertakings	1,408 1,437 <u>2,845</u>	1,424 2,085 <u>3,509</u>

### 10 Proposed dividends

	5 months to 28 February 1993	7 months to 30 September 1992
'A' preferred shares	328	403
'B' preferred shares	5	8
Preference shares	1,075 <u>1,408</u>	1,013 <u>1,424</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 11 Tangible fixed assets

	Land and buildings	Plant and machinery	Commercial and private vehicles	Fixtures and fittings	Total
	£000	£000	£000	£000	£000
<b>Group</b>					
<i>Cost</i>					
At 1 October 1992	22,954	16,452	2,105	3,741	45,252
Fair value adjustment	(720)	215	(2)	(750)	(1,257)
Additions	62	777	290	372	1,501
Disposals	-	(39)	(373)	(10)	(422)
Exchange movement	96	81	-	17	194
At 28 February 1993	<u>22,392</u>	<u>17,486</u>	<u>2,020</u>	<u>3,370</u>	<u>45,268</u>
<i>Depreciation</i>					
At 1 October 1992	187	1,705	487	622	3,001
Charge for the period	215	1,081	328	179	1,803
On disposals	-	(31)	(112)	(2)	(145)
Exchange movement	2	10	-	2	14
At 28 February 1993	<u>404</u>	<u>2,765</u>	<u>703</u>	<u>801</u>	<u>4,673</u>
<i>Net book value</i>					
At 28 February 1993	<u>21,988</u>	<u>14,721</u>	<u>1,317</u>	<u>2,569</u>	<u>40,595</u>
At 30 September 1992	<u>22,767</u>	<u>14,747</u>	<u>1,618</u>	<u>3,119</u>	<u>42,251</u>

The net book value of land and buildings comprises:

	28 February 1993 £000	30 September 1992 £000
Freehold	20,743	21,504
Long leasehold	1,233	1,250
Short leasehold	12	13
	<u>21,988</u>	<u>22,767</u>

The cost of land and buildings includes £20,251,000 (1992 : £20,819,000) of depreciable assets.

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 11 Tangible fixed assets (continued)

Details included above in respect of assets held under finance leases are:

	Net book value £000	Depreciation for the period £000
Plant and machinery	55	19
Commercial and private vehicles	552	40
Fixtures and fittings	571	79

### 12 Fixed asset investments

#### Company

The principal subsidiary undertakings are as follows:

	Country of registration or incorporation	Principal activity	Class of shares held	Percentage of shares held Group Company	
The Gaymer Group Limited	England	Trading	Ordinary	100%	100%
The Gaymer Group Overseas Holdings Limited	England	Holding company	Ordinary	100%	100%
Erven Warnink BV	The Netherlands	Trading	Ordinary	100%	-
Fentimans Limited	England	Product development	Ordinary	90%	-

The principal activity of the group's trading subsidiary undertakings is the manufacture and distribution of Ciders, Perries, Light British Wines, British Sherries and speciality drinks.

In addition, the company owns 100% of the ordinary share capital of 20 dormant companies, registered in England.

The results, assets and liabilities of all the subsidiary undertakings are included in these group accounts.

The group's subsidiary undertakings' accounts are made up to 28 February 1993 with the exception of Erven Warnink BV whose next financial statements will be drawn up for the 17 month period to 28 February 1994. The accounts of Erven Warnink BV for the five months to 28 February 1993 have been audited for the purposes of inclusion in these group accounts.

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 13 Stocks

	Group	
	28 February 1993 £000	30 September 1992 £000
Raw materials and consumables	3,378	5,218
Work in progress	10,018	10,937
Finished goods and goods for resale	10,719	14,507
	<u>24,115</u>	<u>30,662</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

### 14 Debtors

	Group		Company	
	28 February 1993 £000	30 September 1992 £000	28 February 1993 £000	30 September 1992 £000
<b>Amounts falling due within one year</b>				
Trade debtors	20,772	23,219	-	-
Other debtors	282	4,939	-	4,500
Prepayments and accrued income	687	895	-	-
Pension plans prepayment	107	-	-	-
Amounts owed by subsidiary undertakings	-	-	7,408	1,424
Deferred tax asset (note 17)	381	-	-	-
	<u>22,229</u>	<u>29,053</u>	<u>7,408</u>	<u>5,924</u>
<b>Amounts falling due after more than one year</b>				
Taxation	884	475	-	-
Pension plans prepayment	13,282	13,500	-	-
Amounts owed by subsidiary undertakings	-	-	108,339	112,338
	<u>14,166</u>	<u>13,975</u>	<u>108,339</u>	<u>112,338</u>
<b>Total debtors</b>	<u>36,395</u>	<u>43,028</u>	<u>115,747</u>	<u>118,262</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 15 Creditors: amounts falling due within one year

Group	28 February 1993		30 September 1992	
	£000	£000	£000	£000
Bank loans (see note 16)		6,000		5,153
Obligations under finance leases and hire purchase contracts (see note 16)		283		336
Trade creditors		7,636		11,012
Other creditors including taxation and social security:				
Corporation tax	1,404		879	
Other taxes and social security	3,570		4,888	
		<u>4,974</u>		<u>5,767</u>
Taxation and social security		2,299		8,202
Other creditors				
		7,273		13,969
Accruals and deferred income		8,528		8,689
Dividends payable		1,408		1,424
		<u>31,128</u>		<u>40,583</u>
Company	28 February 1993		30 September 1992	
	£000	£000	£000	£000
Bank loans (see note 16)		6,000		5,000
Other creditors		-		61
Dividends payable		1,408		1,424
		<u>7,408</u>		<u>6,485</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 16 Creditors: amounts falling due after more than one year

Group	28 February 1993 £000	30 September 1992 £000
Bank and other loans	39,500	43,000
Secured subordinated loan note 1999	15,000	15,000
Unsecured subordinated loan note 1999	10,000	10,000
Obligations under finance leases	906	736
Other creditors	9	9
	<u>65,415</u>	<u>68,745</u>
Company	28 February 1993 £000	30 September 1992 £000
Bank and other loans	39,500	43,000
11 % secured subordinated loan note 1999	15,000	15,000
10 % unsecured subordinated loan note 1999	10,000	10,000
	<u>64,500</u>	<u>68,000</u>

The bank loans and the secured subordinated loan note 1999 are secured by fixed and floating charges over the assets of the group and its subsidiary undertakings. The obligations under finance leases are secured on the assets to which they relate.

### Analysis

	Group and company	
	28 February 1993 £000	30 September 1992 £000
Amount repayable by instalments In the second to fifth year	<u>39,500</u>	<u>28,000</u>
Amount repayable, other than by instalments, after more than five years:	<u>25,000</u>	<u>40,000</u>



# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 16 Creditors: amounts falling due after more than one year (continued)

Interest is payable on the bank loans at between 2¼ % and 3½ % above LIBOR.

The unsecured subordinated loan note 1999 bears an interest rate of the lower of 10% per annum and LIBOR on the first day of the relevant interest period provided certain profit levels are achieved.

The secured subordinated loan note 1999 bears an interest rate of 0% until 28 February 1993, 5% per annum in respect of the period 1 March 1993 to 28 February 1994 and thereafter the lower of 11% and LIBOR on the first day of the relevant interest period.

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group	
	28 February 1993 £000	30 September 1992 £000
Within one year	442	430
In the second to fifth years	1,001	833
After five years	-	22
	<hr/>	<hr/>
	1,443	1,285
Less: future finance charges	(254)	(213)
	<hr/>	<hr/>
	1,189	1,072

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 17 Provisions for liabilities and charges

	Reorganisation £000	Group Deferred tax £000	Total £000
At beginning of period	11,612	87	11,699
Utilised during period	(1,854)	-	(1,854)
Released during period (note 19)	(500)	-	(500)
Charge to profit and loss account	-	7	7
At end of period	<u>9,258</u>	<u>94</u>	<u>9,352</u>

The amounts provided for deferred taxation and the amounts not provided are set out below:

	28 February 1993		30 September 1992	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Difference between accumulated depreciation and amortisation and capital allowances	(313)	-	(483)	-
Other timing differences	287	-	396	-
Pension plans'	4,418	-	-	-
Provisions	(2,353)	-	-	-
Losses carried forward	(1,752)	-	-	-
	<u>287</u>	<u>-</u>	<u>(87)</u>	<u>-</u>

There is no deferred tax for the company.

The deferred taxation balance is analysed as follows:

	28 February 1993		30 September 1992	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Deferred tax liability (above)	(94)	-	(87)	-
Deferred tax asset (note 14)	381	-	-	-
	<u>287</u>	<u>-</u>	<u>(87)</u>	<u>-</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 18 Called up share capital

	Group and company			
	28 February 1993	30 September 1992		
	No	£000	No	£000
<i>Authorised</i>				
'A' ordinary shares of 1p each	500,000	5	500,000	5
'B' ordinary shares of 1p each	400,000	4	400,000	4
	<u>900,000</u>	<u>9</u>	<u>900,000</u>	<u>9</u>
Cumulative convertible participating				
'A' preferred ordinary shares of 1p each	1,600,000	16	1,600,000	16
Cumulative convertible participating				
'B' preferred ordinary shares of 1p each	200,000	2	200,000	2
	<u>1,800,000</u>	<u>18</u>	<u>1,800,000</u>	<u>18</u>
Redeemable cumulative preference shares of 90p each	43,000,000	38,700	43,000,000	38,700
	<u>45,700,000</u>	<u>38,727</u>	<u>45,700,000</u>	<u>38,727</u>
<i>Allotted, called up and fully paid</i>				
'A' ordinary shares of 1p each	500,000	5	500,000	5
'B' ordinary shares of 1p each	200,000	2	200,000	2
	<u>700,000</u>	<u>7</u>	<u>700,000</u>	<u>7</u>
Cumulative convertible participating				
'A' preferred ordinary shares of 1p each	1,600,000	16	1,600,000	16
Cumulative convertible participating				
'B' preferred ordinary shares of 1p each	200,000	2	123,333	1
	<u>1,800,000</u>	<u>18</u>	<u>1,723,333</u>	<u>17</u>
Redeemable cumulative preference shares of 90p each	43,000,000	38,700	43,000,000	38,700
	<u>45,500,000</u>	<u>38,725</u>	<u>45,423,333</u>	<u>38,724</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 18 Called up share capital (continued)

76,667 cumulative convertible participating 'B' preferred ordinary shares with a nominal value of £767 were issued in satisfaction of an option during the period, for a consideration of £61,334.

The redeemable cumulative preference shares are redeemable at the company's option at any time between 31 December 1996 and 31 December 2000, with redemption required at the latter date of any shares then still outstanding. Other than at 31 December 2000, redemption may take place only with the consent of the holders of the majority of preference shares in the company or with the approval of 75% of the holders of the preference shares if the company is in default in relation to the preference shares or the company's bank or mezzanine loan facilities. No premium is payable on redemption above the amount paid for the shares.

On 30 September 1992, under The Gaymer Group Europe Limited Share Option Scheme, options over 179,390 'B' ordinary shares of 1p each were granted at a price of £1.00 per share. The options are exercisable at any time during the 21 days prior to the first to occur of any one of the following events; the sale of the company, a flotation on the unlisted securities market or full market of the Stock Exchange, or 30 September 1996.

The cumulative convertible participating 'A' and 'B' preferred ordinary shares are convertible into 'A' ordinary shares on a sale or listing of the company prior to 30 September 1996, or in any event on the publication of the audited consolidated accounts of the company for the financial year ending 30 September 1996 at a rate which is determined by reference to the profits or market capitalisation of the group on the date of conversion.

### 19 Reserves

#### Share premium account

#### Group and company £000

At beginning of period	5,053
Add: premium on shares issued	61
	<hr/>
At end of period	5,114

#### Goodwill reserve

#### Group £000

At beginning of period	(44,784)
Reduction in purchase consideration	1,000
Fixed assets adjustment	(1,257)
Release of surplus provisions	500
Deferred taxation adjustment	1,536
Transfer to profit and loss account reserve	940
	<hr/>
At end of period	(42,065)

The cumulative amount of goodwill resulting from acquisitions which has been written off is £44,320,000 (1992 : £46,099,000).

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 20 Profit and loss account

	Group £000	Company £000
At beginning of period	1,203	-
Profit and loss account	1,437	-
Exchange difference arising	318	-
Amortisation of goodwill reserve	(940)	-
	<u>2,018</u>	<u>-</u>
At end of period		

### 21 Reconciliation of movements in shareholders' funds

Group	5 months to 28 February 1993 £000	7 months to 30 September 1992 £000
Profit for financial period	2,845	3,509
Dividends	(1,408)	(1,424)
	<u>1,437</u>	<u>2,085</u>
New share capital subscribed:		
Nominal value	1	38,724
Share premium	<u>61</u>	<u>5,053</u>
	62	43,777
Goodwill:		
On acquisition	-	(46,099)
Reduction in purchase consideration	1,000	-
Deferred taxation adjustment	1,536	-
Fixed asset adjustments	(1,257)	
Release of provisions	<u>500</u>	
	1,779	(46,099)
Exchange difference arising	<u>318</u>	<u>433</u>
Net addition to shareholders' funds	3,596	196
Opening shareholders' funds	<u>196</u>	<u>-</u>
Closing shareholders' funds	<u>3,792</u>	<u>196</u>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 21 Reconciliation of movements in shareholders' funds (continued)

Company	5 months ended 28 February 1993 £000	7 months ended 30 September 1992 £000
Profit for the financial period	1,408	1,424
Dividends	(1,408)	(1,424)
	<hr/>	<hr/>
New share capital subscribed:		
Nominal value	1	38,724
Share premium	62	6,374
Costs of issue	-	(1,321)
	<hr/>	<hr/>
Net addition to shareholders' funds	62	43,772
Opening shareholders' funds	43,777	-
	<hr/>	<hr/>
Closing shareholders' funds	43,839	43,777
	<hr/>	<hr/>

### 22 Contingent liabilities

The company, together with its subsidiary undertakings, has contingent liabilities in respect of bank guarantees of £6,400,000 (1992 : £6,000,000).

### 23 Commitments

- (i) Capital commitments at the end of the financial period for which no provision has been made are as follows:

	28 February 1993		30 September 1992	
	Group £000	Company £000	Group £000	Company £000
Authorised but not contracted	3,711	-	448	-
	<hr/>	<hr/>	<hr/>	<hr/>

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 23 Commitments (continued)

(ii) Annual commitments under non-cancellable operating leases are as follows:

	28 February 1993		30 September 1992	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	38	25	108	-
In the second to fifth years inclusive	4	370	-	18
Over five years	715	-	697	-
	<u>757</u>	<u>395</u>	<u>805</u>	<u>18</u>

### 24 Pension scheme

As explained in the accounting policies set out in note 1, the group operates pension plans providing benefits based on final pensionable pay. The costs of providing benefits are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group.

The pension plans in the UK have been set up by way of a transfer of assets from the Allied-Lyons schemes. An estimate has been made for the purpose of the accounts, by a qualified actuary, which indicates that the plans will have adequate resources to meet their liabilities. The actuary has prepared an initial report, dated 28 February 1992, which has examined only future service funding and has not considered the past service position. The contributions have been provisionally determined using the projected unit credit method.

The assumptions used by the actuary which have the most significant effect on the cost to be charged to the profit and loss account may be expressed relative to price inflation as follows:

Interest	4.5% above
Dividend growth	Equal to
Salary growth	2% above
Pension increases	0.5% below

The pension charge for the period was £103,000 (1992 : £148,000), being £41,000 (1992 : £70,000) for the UK and £62,000 (1992 : £78,000) for overseas pension arrangements. The continuing pension cost in the UK comprises a regular cost of 9.5% of pensionable pay and interest income at 10% per annum on the prepayment of £13,389,000, which represents the estimated pension surplus acquired from Allied-Lyons PLC and is included in debtors. The group is taking a reduction in employer contributions to utilise the pension surplus.

At 28 February 1993 contributions amounting to £Nil (1992 : £78,000) were payable to the plans and are included in creditors.

# The Gaymer Group Europe Limited and subsidiary undertakings

## Notes (continued)

### 25 Reconciliation of trading profit to net cash inflow from operating activities

	28 February 1993 £000	30 September 1992 £000
Trading profit	6,575	9,448
Depreciation charges	1,803	3,046
Profit on sale of tangible fixed assets	(84)	(17)
Exchange differences	138	152
Decrease/(increase) in stocks	6,547	(2,760)
Decrease/(increase) in debtors	2,923	(8,194)
(Decrease)/increase in creditors	(10,804)	3,371
Decrease in provisions	(1,854)	(4,638)
Net cash inflow from operating activities	<u>5,244</u>	<u>408</u>

### 26 Changes in cash and cash equivalents during the period

	Group £000
Cash at bank and in hand at 30 September 1992	5,240
Net cash flow	<u>3,294</u>
Cash at bank and in hand at 28 February 1993	<u>8,534</u>

### 27 Major non-cash transactions

During the period the group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £282,000 (1992 : £191,000).

### 28 Purchase of businesses and subsidiary undertakings

	£000
Cash settlement received	<u>5,500</u>