

# **USW Limited**

Accounts 31 October 1999  
together with directors' and auditors' reports

Registered number: 3078335



## Directors' report

For the year ended 31 October 1999

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 October 1999.

### Principal activity and business review

On 4 June 1999, Ushers Brewery Limited (formerly Ushers of Trowbridge Group plc) purchased the 50% of the issued share capital previously held by Shaw Wallace Overseas Limited, and the company became a wholly owned subsidiary of Ushers Brewery Limited. From that date the distribution and marketing of the company's range of beers and wines was undertaken by Ushers of Trowbridge Limited who purchased all assets and liabilities of the company at book value. The company has not traded since that date.

The company incurred a loss for the year of £580,000 (1998 - £205,000). The directors do not recommend payment of a dividend.

### Directors and their interests

The directors of the company who served during the year are as follows:

R R A Breare	(appointed 2 August 1999, resigned 4 June 2000)
R R G North	(resigned 9 June 1999)
S Walawalkar	
T Lakhani	
M D Coles	(resigned 6 August 1999)
M R Chhabria	(resigned 3 June 1999)
R K Jain	(resigned 3 June 1999)
R R Thompson	(appointed 27 June 2000)
R W Luscombe	(appointed 27 June 2000)
D G Taylor	(appointed 27 June 2000)

None of the directors held any beneficial interests in the share capital of the company at the beginning or end of the year.

The directors do not have any interests in the shares of the company. The directors' interests in the share capital of Ushers Brewery Limited (formerly Ushers of Trowbridge Group Limited), Rhesus Limited and InnSpired Group Limited are disclosed in the accounts of each company.

The directors had no interests during the year in Shaw Wallace Overseas Limited required to be disclosed under Schedule 7 of the Companies Act 1985.

### The year 2000 issue

The company has implemented a programme to ensure its computer systems will operate correctly in the year 2000 and beyond. The directors are pleased to report that the change of date to the year 2000 had no significant impact on the company's operations.

## Directors' report (continued)

### Auditors

A resolution will be placed before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Directors House  
68 Fore Street  
Trowbridge  
Wiltshire  
BA14 8HQ

By order of the Board,



N G Bryan  
Secretary

30 August 2000

## Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the company's profit or loss for the year. In preparing those accounts, 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 accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors House  
68 Fore Street  
Trowbridge  
Wiltshire  
BA14 8HQ

By order of the Board,



N G Bryan  
Secretary

30 August 2000

**To the Shareholders of USW Limited**

We have audited the accounts on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the company's state of affairs at 31 October 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**

Broad Quay House  
Broad Quay  
Bristol  
BS1 4DJ

30 August 2000

## Profit and loss account

For the year ended 31 October 1999

	Note	1999 £'000	1998 £'000
<b>Turnover</b>	2	779	1,537
Cost of sales		(482)	(1,030)
<b>Gross profit</b>		297	507
Other operating expenses (net)	3	(487)	(661)
Exceptional item	4	(324)	-
<b>Operating loss</b>		(514)	(154)
Interest payable	5	(66)	(51)
<b>Loss on ordinary activities before and after taxation, being loss for the financial year</b>	6 & 14	(580)	(205)

There were no recognised gains or losses in either year other than the loss for the year.

All turnover and operating profit arose from discontinued operations.

The accompanying notes are an integral part of this profit and loss account.

The company ceased to trade following the transfer of trade, assets and certain liabilities to Ushers of Trowbridge Limited on 4 June 1999.

# Balance sheet

31 October 1999

	Note	1999 £'000	1998 £'000
<b>Fixed assets</b>			
Intangible assets	8	-	868
Tangible assets	9	-	304
		<u>-</u>	<u>1,172</u>
<b>Current assets</b>			
Stocks	10	-	148
Debtors	11	-	501
		<u>-</u>	<u>649</u>
<b>Creditors: Amounts falling due within one year</b>	12	-	(1,241)
<b>Net current liabilities</b>		<u>-</u>	<u>(592)</u>
<b>Total assets less current liabilities</b>		<u>-</u>	<u>580</u>
<b>Net assets</b>		<u>-</u>	<u>580</u>
<b>Capital and reserves</b>			
Called-up share capital	13	1,250	1,250
Profit and loss account	14	(1,250)	(670)
<b>Equity shareholders' funds</b>	15	<u>-</u>	<u>580</u>

Signed on behalf of the Board



D G Taylor

30 August 2000

The accompanying notes are an integral part of this balance sheet.

## Notes to accounts

31 October 1999

### 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

#### a) *Basis of accounting*

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

#### b) *Intangible fixed assets*

Expenditure on brand rights and know-how is capitalised under intangible fixed assets and amortised over the directors' estimate of the economic life of the underlying brand.

#### c) *Tangible fixed assets*

Tangible fixed assets are shown at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and equipment	8 years
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#### d) *Stocks*

Stocks are stated at the lower of first-in, first-out cost and net realisable value.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving and defective items where appropriate.

Kegs and casks are stated at cost, with any replacements being charged to the profit and loss account as incurred.

#### e) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is calculated using the liability method and is provided on timing differences which will probably reverse, at the rate of tax likely to be in force at the time of reversal. Deferred taxation is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

#### f) *Pension costs*

The company makes contributions to personal pension plans and the defined contribution section of the Ushers of Trowbridge Pension Scheme in respect of certain employees. The amount charged to the profit and loss account in respect of these costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### g) *Turnover*

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services in the normal course of business.



## Notes to accounts (continued)

### 1 Accounting policies (continued)

#### *h) Leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. There are no assets held under finance leases or hire purchase contracts.

#### *i) Pension costs*

The company makes contributions to personal pension plans and the defined contribution section of the Ushers of Trowbridge Pension Scheme in respect of certain employees. The amount charged to the profit and loss account in respect of these costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### *j) Cash flow statement*

As permitted by the provisions of Financial Reporting Standard Number 1 (Revised), the company has not prepared a cash flow statement because it is entitled to the exemptions available in sections 246 to 249 of the Companies Act 1985 for small companies.

### 2 Segmental reporting

The company's turnover and operating loss arose from the brewing (carried out by Ushers of Trowbridge Limited under contract), distribution and sale of specialist Indian lager and wines in the United Kingdom.

### 3 Other operating expenses (net)

	1999 £'000	1998 £'000
Distribution	33	60
Selling and marketing	143	474
Administration	311	150
Other operating income	-	(23)
	<u>487</u>	<u>661</u>

### 4 Exceptional item

	1999 £'000	1998 £'000
Intercompany loan forgiven	<u>324</u>	<u>-</u>

Upon transfer of the trade, assets and certain liabilities of the company to Ushers of Trowbridge Limited it was decided to waive the outstanding balance owed by Ushers of Trowbridge Limited on the intercompany account. There is no tax impact arising from this transaction.

## Notes to accounts (continued)

### 5 Interest payable

	1999 £'000	1998 £'000
On bank overdraft repayable within five years, by instalments	<u>66</u>	<u>51</u>

### 6 Loss on ordinary activities before and after taxation

The loss on ordinary activities before and after taxation is stated after charging:

	1999 £'000	1998 £'000
Amortisation of intangible fixed assets	31	51
Depreciation of tangible fixed assets	31	50
Operating lease rentals		
- property	-	6
- plant and machinery	2	16
Auditors' remuneration		
- audit fees	-	5
Management charge from Ushers of Trowbridge Limited	<u>21</u>	<u>-</u>

Audit fees in the current year have been borne by the parent company.

### 7 Staff costs

Particulars of employees (including full-time directors) are shown below:

	1999 £'000	1998 £'000
Employee costs during the year amounted to:		
Wages and salaries	106	170
Social security costs	11	18
Other pension costs	<u>6</u>	<u>9</u>
	<u>123</u>	<u>197</u>

The average monthly number of persons employed by the company (including executive directors) during the year was as follows:

	1999 Number	1998 Number
Selling and marketing	<u>3</u>	<u>6</u>

## Notes to accounts (continued)

### 7 Staff costs (continued)

Directors' remuneration in respect of directors of the company was as follows:

	1999 £'000	1998 £'000
Emoluments	69	116
Company contributions to money purchase schemes	5	8
	<u>74</u>	<u>124</u>

Two directors (1998 – four) are members of money purchase pension schemes.

### 8 Intangible fixed assets

Intangible fixed assets represent brand rights and commercial know-how associated with Lal Toofan lager.

The movement in the year was as follows:

	£'000
<b>Cost</b>	
At beginning of year	1,026
Transfers to Ushers of Trowbridge Limited	(1,026)
At end of year	<u>-</u>
<b>Amortisation</b>	
At beginning of year	158
Charge for the year	31
Transfers to Ushers of Trowbridge Limited	(189)
At end of year	<u>-</u>
<b>Net book value</b>	
At beginning of year	<u>868</u>
At end of year	<u>-</u>

# Notes to accounts (continued)

## 9 Tangible fixed assets

The movement in the year was as follows:

	Plant and Equipment £'000
<b>Cost</b>	
At beginning of year	422
Additions	25
Transfer to Ushers of Trowbridge Limited	(447)
At end of year	-
<b>Depreciation</b>	
At beginning of year	118
Charge for the year	31
Transfer to Ushers of Trowbridge Limited	(149)
At end of year	-
<b>Net book value</b>	
At beginning of year	304
At end of year	-

## 10 Stocks

	1999 £'000	1998 £'000
Finished goods	-	30
Kegs and casks	-	118
	-	148

## 11 Debtors: Amounts falling due within one year

	1999 £'000	1998 £'000
Trade debtors	-	436
Other debtors	-	65
	-	501

## Notes to accounts (continued)

### 12 Creditors: Amounts falling due within one year

	1999 £'000	1998 £'000
Bank overdraft	-	703
Trade creditors	-	84
Amounts owed to Ushers of Trowbridge Limited	-	177
Amount owed to Shaw Wallace Overseas Limited	-	81
Loan from Ushers of Trowbridge plc	-	110
Other creditors	-	5
Accruals and deferred income	-	81
	<u>-</u>	<u>1,241</u>

### 13 Called-up share capital

	1999 £'000	1998 £'000
<i>Authorised, allotted, called-up and fully paid</i>		
1,250,000 ordinary shares of £1 each	<u>1,250</u>	<u>1,250</u>

### 14 Reserves

	Profit and loss account £'000
Balance at beginning of the year	(670)
Loss for the financial year	<u>(580)</u>
Balance at end of the year	<u>(1,250)</u>

### 15 Reconciliation of movement in shareholders' funds

	1999 £'000	1998 £'000
Beginning of year	580	785
Loss for year	<u>(580)</u>	<u>(205)</u>
End of year	<u>-</u>	<u>580</u>

### 16 Related party transactions

As a wholly-owned subsidiary with a parent undertaking whose consolidated accounts are publicly available, the company is exempt from the requirement to disclose transactions with entities that are part of the group.

The company had no transactions with other related parties requiring disclosure.

## Notes to accounts (continued)

### **17 Ultimate holding company**

The ultimate holding company at 31 October 1999 was InnSpired Group Limited. The immediate holding company was Ushers Brewery Limited (formerly Ushers of Trowbridge Group Limited). Both companies are incorporated in Great Britain and registered in England and Wales.

### **18 Contingent liability**

On 4 June 1999 the company entered into a ninety nine year royalty agreement with Shaw Wallace Overseas Limited under which it is committed to make minimum payments of £80,000 per annum for five years.

### **19 Post balance sheet event**

The immediate holding company, Ushers Brewery Limited, disposed of its shareholding in the company during June 2000.