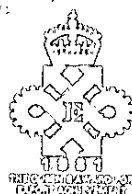




BERRY BROS & RUDD LIMITED
Wine and Spirit Merchants

Report & accounts
for the year ended
31st March 1982



BERRY BROS & RUDD LIMITED

3 ST JAMES'S STREET, LONDON, S.W.1.

DIRECTORS

A. A. BERRY, Chairman
J. R. RUDD
D. L. M. ROBERTSON
F. C. D. GREEN
K. J. MANSFIELD, Secretary
A. R. T. PEEBLES

AUDITORS

ERNST & WHINNEY
Chartered Accountants,
Lynton House,
7, Tavistock Square, London, W.C.1.

BERRY BROS. & RUDD LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Berry Bros. & Rudd Limited will be held at 3, St. James's Street, London, S.W.1, on Tuesday, 14th September, 1982 at 12.45 p.m.

1. To receive and consider the Report of the Directors and the Statement of Accounts for the year ended 31st March, 1982.
2. To declare a final dividend on the Ordinary Shares.
3. To elect two Directors.
4. To re-appoint the Auditors.
5. To authorise the Directors to fix the remuneration of the Auditors.

By order of the Board
K. J. MANSFIELD
Secretary

3, St. James's Street, London, S.W.1.
20th August, 1982.

NOTES

1. Under the provisions of the Articles of Association of the Company only holders of Ordinary Shares are entitled to attend and vote at the above-mentioned meeting. Members holding only Preference Shares are not entitled to attend or vote at General Meetings.

Any member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.

2. Dividend Warrants in respect of the final dividend on the Ordinary Shares will be posted on 14th September 1982 to Ordinary Shareholders on the Register as at that date.

3. The Company is a Close Company within the meaning of the Finance Act 1965.

REPORT OF THE DIRECTORS

The Directors submit their Report with the Accounts of the Company for the year ended 31st March, 1982. The business of the Company continues to be that of wine and spirit merchants.

The Profit and Loss Account shows that the profit for the year is	£949,863	
The Preference Dividend amounted to	6,563	
The amount available for appropriation is	943,300	
The interim dividend of 30% on the Ordinary Shares, paid on 26th February, 1982 amounted to	£37,500	
The Directors recommend a final dividend of 60% on the Ordinary Shares which will be payable on 14th September, 1982	75,000	112,500
The unappropriated profit for the year is		<u>£830,800</u>

which is transferred to Reserves.

During the year the value of goods exported by the Company from the United Kingdom amounted to £24,608,374.

Movements of fixed assets, and the Directors' valuation of Freehold and Leasehold Property, may be seen in Note 2 to the Balance Sheet.

During the year the Company has contributed £429 to United Kingdom charitable organisations.

In accordance with the Articles of Association Mr. A. A. Berry and Mr. K. J. Mansfield retire from office and, being eligible, offer themselves for re-election.

Directors' Interests in the Ordinary Share Capital of the Company were: -

	31st March, 1982		31st March, 1981	
	Interests as beneficial owners or as life tenants	Interests through family ownership or as trustees	Interests as beneficial owners or as life tenants	Interests through family ownership or as trustees
A. A. Berry	6,250	—	6,250	—
F C. D. Green	3,332	25,435	3,332	25,435
K. J. Mansfield	1,100	—	1,100	—
A. R. T. Peebles	800	—	800	—
D. L. M. Robertson	100	—	100	—
J. R. Rudd	30,815	53,822	30,815	53,822

No Directors had any interests in the Preference Shares of the Company.

A resolution will be proposed to re-appoint Ernst & Whinney as auditors until the next Annual General Meeting.

By order of the Board
K. J. MANSFIELD
Secretary

3, St. James's Street, London, S.W.1.
20th August, 1982.

Certified a true copy
For and on behalf of
BERRY BROS & RUDD LTD
[Signature] DIRECTOR
[Signature] SECRETARY

BERRY BROS & RUDD LIMITED

CHAIRMAN'S REVIEW

Sales for the year to 31st March 1982 at £27.3 million were 3.3 per cent lower than the previous year. This reduction in sales, as well as the lower profit margins, resulted in a pre-tax profit of £996,727 compared to £1,755,245. These figures reflect the depressed economic conditions in the United Kingdom and in almost all overseas markets where we have been faced with ever increasing competition and price cutting.

The Directors have decided to recommend a final dividend of 60% which, when added to the interim dividend of 30% paid in February, makes a total for the year of 90%, the same as last year.

Shipments of "Cutty Sark" and "Cutty 12" to most export markets were maintained although shipments to Japan were lower because stocks in that country were being reduced. "Cutty Sark" is the second largest selling Scotch Whisky in Japan, itself the second most important export market, and we continued to improve our market share during 1981 in spite of difficult trading conditions and severe competition from locally-blended whiskies.

In the U.S.A., where sales of Scotch Whisky as a whole have continued to decline, "Cutty Sark" improved its market share slightly during 1981 — an encouraging trend. Whilst the figures for imports of Scotch Whisky during the first half of this year are poor, "Cutty Sark" is well positioned to take advantage of any increased demand when the U.S. economy recovers. In the meantime exceptionally heavy advertising and promotional expenditure contributed by both The Buckingham Corporation and ourselves is necessary to maintain the brand's position.

In most other countries strong competition in both pricing and advertising expenditure continues and the existing large stock surplus held by the Scotch Whisky industry has caused a proliferation of cut-price brands to appear in many overseas markets, often unsupported by brand advertising. In our opinion such activities are not beneficial to the long-term future of our industry which relies heavily on international prestige and the high quality of its products for its underlying strength and popularity with the consumer. We continue to work closely with our appointed selling agents abroad, supporting their efforts with advertising funds as far as our resources will allow. When conditions improve the Directors believe that "Cutty Sark" will be able to make better progress in several important countries, mainly in Europe.

In the U.K., "Cutty Sark" distribution has substantially improved in the last two years and sales have risen although the consumption of Scotch Whisky as a whole has fallen and it remains an unprofitable market.

Conditions were also difficult in the home trade retail wine business but vigorous promotional work and tastings were carried out as a result of which sales increased during the year by 5%. However, this was only achieved at the cost of reduced profit margins and trading remains highly competitive. We continue to keep to our traditional objectives of offering our customers a wide range of quality wines and spirits at reasonable prices supported by the highest standards of personal service. Our marketing tactics are under constant review to keep abreast of changing conditions and drinking habits.

During the first few months of the current financial year home trade retail sales have continued to improve and our selling efforts allied to our reputation for quality and reliability, continue to attract new business. Current exports of "Cutty Sark" and "Cutty 12" are at a lower level than a year ago. As always, much depends on the all important pre-Christmas trading period both here and abroad and it is difficult to predict the effect on Scotch Whisky consumers of the unsettled economies in our important American and Japanese markets.

On the other hand these uncertainties are offset by the building up of liquid funds which puts us in a good position to take advantage of opportunities to increase our business as conditions improve.

ANTHONY A. BERRY

Chairman

Certified a true copy

For and on behalf of
BERRY DROR & RUDD LTD

Anthony A. Berry
DIRECTOR

W. J. J. J. J.
SECRETARY

BERRY BRO: & RUDD LIMITED

PROFIT AND LOSS ACCOUNT & STATEMENT OF RESERVES for the year ended 31st March, 1982

	1982 £	1981 £
Sales, excluding VAT, less discounts and allowances	<u>£27,293,717</u>	<u>£28,230,159</u>
Trading Profit (after charges shown in Note A)	952,251	1,746,420
Income from Listed Investments	<u>44,476</u>	8,825
Profit for the year before taxation	996,727	1,755,245
Less: Taxation (Note B)	<u>46,864</u>	(956,022)
Profit for the year after taxation	949,863	2,711,267
Dividends		
Preference Shares	6,563	6,563
Ordinary Shares:		
Interim 30% (1981, 30%)	37,500	37,500
Proposed final 60% (1981, 60%)	<u>75,000</u>	<u>75,000</u>
	119,063	119,063
Retained Profit	<u>£830,800</u>	<u>£2,592,204</u>
Statement of Reserves		
Reserves at beginning of the year	12,238,703	9,646,499
Add: Retained profit for the year	<u>830,800</u>	<u>2,592,204</u>
Reserves at end of the year	<u>£13,069,503</u>	<u>£12,238,703</u>

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For and on behalf of

BERRY BRO: & RUDD LTD

Anthony A. Berry DIRECTOR

W. J. Field SECRETARY

NOTES ON THE PROFIT AND LOSS ACCOUNT

A. TRADING PROFIT

This is arrived at after charging:

	1982		1981	
	£	£	£	£
Depreciation of fixed assets		79,534		61,694
Bank overdraft interest		16,988		22,579
Auditors' remuneration		15,000		17,000
Directors' remuneration:				
Fees	200		200	
As executives	135,464		122,210	
Pension premiums	35,729		32,807	
		<u>£171,393</u>		<u>£155,217</u>

The Directors were paid as follows (excluding pension premiums):

Chairman	£30,258	£27,718
Other Directors	Number of Directors	Number of Directors
Nil to £5,000	1	1
£15,001 to £20,000	1	1
£20,001 to £25,000	1	1
£25,001 to £30,000	1	1
£30,001 to £35,000	1	2
5 Directors waived their entitlement to fees amounting in total to £1,050. (1981, 5 Directors £1,050)	1	—

B. TAXATION

The taxation charge is made up as follows:—

	1982	1981
	£	£
Corporation Tax for the year at 40% (1981, 52%)	29,000	515,000
Deferred Tax for the year at 52% (Note 3)	28,793	39,936
Tax on dividends received	2,648	2,648
	<u>60,441</u>	<u>557,604</u>
Overprovision in previous years	13,577	2,032
	<u>46,864</u>	<u>555,572</u>
Release of Deferred Tax relating to stock relief	—	1,511,594
	<u>£46,864</u>	<u>£1,956,022</u>

The taxation charge for the year ended 31st March, 1982 has been reduced by £449,000 (1981, £353,000) in respect of stock relief to arrive at the charge for the year of £60,441.

Certified a true copy

For and on behalf of

BERRY BROS & RUDD LTD

Anthony A. Berry
DIRECTOR

W. Mansfield
SECRETARY

BERRY BROS & RUDD LIMITED

BALANCE SHEET

31st March, 1982

	1982	1981
	£	£
CAPITAL AND RESERVES		
Issued Share Capital (Note 1)	250,000	250,000
Reserves	13,069,503	12,238,703
	<u>13,319,503</u>	<u>12,488,703</u>

DEFERRED TAXATION (Note 3)	224,757	195,964
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CURRENT LIABILITIES

Creditors	2,622,035	1,907,804
Taxation	18,092	522,823
Bank Overdraft	1,070,068	691,846
Proposed Final Dividend	<u>75,000</u>	<u>75,000</u>
	<u>3,785,195</u>	<u>3,197,473</u>

£17,329,455

£15,882,140

Certified as True
For and on behalf of
BERRY BROS & RUDD

Anthony A. Berry

SEC

	1982	1981
	£	£
FIXED ASSETS at net book values (Note 2)		
Freehold Property	377,518	377,518
Leasehold Property -- over 50 years	432,718	438,639
under 50 years	92,188	90,727
Plant, Equipment and Motor Cars	171,596	182,656
	<u>1,074,020</u>	<u>1,115,532</u>

TRADE INVESTMENTS

Listed Shares at cost	42,335	42,335
Market Value £179,388 (1981, £231,660)		
Unlisted Shares at cost (Note 4)	10,000	10,000
Directors' Valuation £10,000 (1981, £10,000)		
	<u>52,335</u>	<u>52,335</u>

CURRENT ASSETS

Stocks (Note 5)	9,278,349	10,122,544
Debtors	3,899,828	2,840,239
Short term deposits and cash	1,006,336	1,751,490
Short term Government securities	2,018,587	-
Market Value £2,142,060		
	<u>16,203,100</u>	<u>14,714,273</u>

A. A. BERRY }
J. R. RUDD } Directors

11th August, 1982

Anthony A. Berry
J. R. Rudd

£17,329,455

£15,882,140

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For and on behalf of
BERRY BRO2 & RUDD LTD
Anthony A. Berry DIRECTOR
J. R. Rudd SECRETARY

The notes referred to are on pages 10 and 11.

BERRY BROS & RUDID LIMITED

NOTES ON THE BALANCE SHEET

1. SHARE CAPITAL

	Authorised		Issued and fully paid	
	1982	1981	1982	1981
	£	£	£	£
7½% (now 5¼% plus tax credit) Cumulative Preference Shares of £1 each	150,000	150,000	125,000	125,000
Ordinary Shares of £1 each	150,000	150,000	125,000	125,000
	<u>£300,000</u>	<u>£300,000</u>	<u>£250,000</u>	<u>£250,000</u>

2. FIXED ASSETS

	Freehold Property	Leasehold Property over 50 yrs.	Leasehold Property under 50 yrs.	Plant equipment & motor cars	Total
	£	£	£	£	£
Cost					
At 1st April, 1981	377,518	647,778	113,466	420,733	1,559,495
Additions	—	—	—	51,106	51,106
	<u>377,518</u>	<u>647,778</u>	<u>113,466</u>	<u>471,839</u>	<u>1,610,601</u>
Disposals	—	—	—	30,775	30,775
At 31st March, 1982	<u>£377,518</u>	<u>£647,778</u>	<u>£113,466</u>	<u>£441,064</u>	<u>£1,579,826</u>
Accumulated depreciation					
At 1st April, 1981	—	189,149	16,739	238,075	443,963
Amount provided in year	—	25,911	4,539	47,975	78,425
	—	<u>215,060</u>	<u>21,278</u>	<u>286,050</u>	<u>522,388</u>
Disposals	—	—	—	16,582	16,582
At 31st March, 1982	—	<u>£215,060</u>	<u>£21,278</u>	<u>£269,468</u>	<u>£505,806</u>
Net book value					
At 31st March, 1982	<u>£377,518</u>	<u>£432,718</u>	<u>£92,188</u>	<u>£171,596</u>	<u>£1,074,020</u>
At 31st March, 1981	<u>£377,518</u>	<u>£458,629</u>	<u>£96,727</u>	<u>£182,658</u>	<u>£1,115,532</u>

The net book value of freehold property amounting to £377,518 at 31st March, 1982 includes three freehold private residences owned by the Company which were let to Directors under 5-year leases as follows:—

	Expiry date of lease	Annual rent
A. A. Berry	30.11.1982	£1,300
E. C. D. Green	1.6.1983	£600
K. J. Mansfield	1.9.1984	£750

In the Directors' opinion the market value of the freehold and leasehold property shown above at the net book value of £902,424 at 31st March, 1982 was in the region of £2 million. As in the past no depreciation is charged on freehold property; this is not in accordance with Statement of Standard Accounting Practice No. 12, but the amount involved is not significant.

Other fixed assets are depreciated on a straight line basis at the following rates: leasehold property 4%, plant 10%, office furniture and equipment 5% and motor vehicles 20%.

There were no capital commitments at 31st March, 1982 (1981, Nil).

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For and on behalf of
BERRY BROS & RUDID
Arthur A. Berry
K. J. Mansfield SEC

3. DEFERRED TAXATION

Provision is made for deferred taxation calculated at 52%, but only to the extent that there is a possibility of actual liability in the foreseeable future.

Movements during the year were as follows:—

	1982 £	1981 £
Balance at beginning of year	195,964	1,675,638
Release of deferred Tax relating to stock relief (Note B)	—	1,511,594
	<u>195,964</u>	<u>164,044</u>
Deferred Tax for the year (Note B)	28,793	39,956
Advance Corporation Tax	—	(8,036)
Balance at end of year	<u>£224,757</u>	<u>£195,964</u>

Deferred Taxation as shown in the Balance Sheet is made up as follows:—

	1982 £	1981 £
Capital allowances	222,400	228,107
Accrued interest receivable	34,500	—
	<u>256,900</u>	<u>228,107</u>
Less Advance Corporation Tax	32,143	32,143
	<u>£224,757</u>	<u>£195,964</u>

4. UNLISTED INVESTMENT

The company holds 50% of the ordinary share capital of Cutty Sark (Scotch Whisky U.K.) Ltd., a company registered in Scotland. The results of this company, which is an associated company, are not significant and have been excluded from the accounts of Berry Bros. & Rudd Ltd.

5. STOCKS

Stocks are valued at the lower of cost and net realisable value, including all direct expenditure with the exception of holding costs on maturing stocks in the United Kingdom, which continue to be treated as expenses in the year in which they arise.

6. GUARANTEES

A guaranter of overdraft facilities of an associated company amounted to £1,000,000 jointly and severally with Robertson & Baxter Ltd. (1981, £800,000).

7. COMPANIES ACT 1981

The Company is not yet required to comply with the accounting and disclosure provisions of Part 1 of the Companies Act 1981. The Accounts for this year are drawn up in compliance with Section 149A of the Companies Act 1948 and Schedule 8A to that Act.

Supplied a free copy
on behalf of
Y BROS & RUDD LTD
A. Berry
DIRECTOR
myself
SECRETARY

BERRY BROS & RUDD LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS for the year ended 31st March, 1982

	1982		1981	
	£	£	£	£
SOURCE OF FUNDS				
Profit before taxation		996,727		1,755,245
Adjustment for depreciation (which does not involve the movement of funds)		79,534		61,694
Total Generated from Trading		<u>1,076,261</u>		<u>1,816,939</u>
Funds from other Sources				
Disposal of fixed assets		13,084		13,379
		<u>£1,089,345</u>		<u>£1,830,318</u>
<i>Less:</i>				
APPLICATION OF FUNDS				
Dividends paid		119,063		100,313
Purchase of fixed assets		51,106		172,952
Taxation paid		522,802		267,299
Increase/(Decrease) in working capital				
Stocks	(844,195)		(1,522,607)	
Debtors	1,059,589		215,978	
Creditors	(714,231)		800,817	
		<u>(498,837)</u>		<u>(505,812)</u>
		<u>£194,134</u>		<u>£34,752</u>
Resulting in:				
INCREASE/(DECREASE) IN NET LIQUID FUNDS				
Bank overdraft	(378,222)		47,007	
Short term deposits and cash	(745,154)		1,748,559	
Short term Government securities	2,018,587			
		<u>£895,211</u>		<u>£1,795,566</u>

Certified a true
For and on behalf of
BERRY BROS & R
Anthony A. Ker
W. J. Fulli

REPORT OF THE AUDITORS

Report of the Auditors to the Members

We have examined the accounts of Berry Bros. & Rudd Limited set out on pages 6 to 12. These have been prepared under the historical cost convention. Our audit has been carried out in accordance with approved auditing standards.

As stated in note 5, the valuation of maturing stocks in the United Kingdom excludes holding costs. The accounts do not, therefore, comply with Statement of Standard Accounting Practice No. 9. We are unable to quantify the effects of non-compliance with this standard practice.

Subject to the above, in our opinion the accounts give a true and fair view of the state of affairs at 31st March, 1982 and of the profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

The Accounts do not contain the current cost accounts as required by Statement of Standard Accounting Practice No. 16.

ERNST & WHINNEY
Chartered Accountants.

London.

11th August, 1982.

Certified a true copy
for and on behalf of
BERRY BROS & RUDD LTD
William A. Berry DIRECTOR
W. J. Berry SECRETARY