

**MANSFIELD BREWERY TRADING LIMITED**  
**(Registered Number 445797)**

**ANNUAL REPORT**

**YEAR ENDED 1 OCTOBER 2005**



# **MANSFIELD BREWERY TRADING LIMITED**

## **Annual Report**

**Year ended 1 October 2005**

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## **MANSFIELD BREWERY TRADING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 1 OCTOBER 2005**

The Directors submit their report and the audited accounts of the Company for the 52 weeks ended 1 October 2005 (2004: 53 weeks ended 2 October 2004).

### **PRINCIPAL ACTIVITY**

The principal activity of the Company is the ownership of fixed assets.

### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

During the year the Company has generated income by renting properties to fellow Group undertakings.

### **DIVIDEND AND TRANSFER TO RESERVES**

The Directors propose the payment of a dividend of £5,676.19 per £1 ordinary share (2004: £185.33). After total dividends of £29.8m (2004: £1.0m), the loss transferred from reserves is £29.0m (2004: profit transferred to reserves of £1.8m).

### **DIRECTORS**

The Directors of the Company during the year ended 1 October 2005, and up to the date of the report, were:

R G Findlay  
D Andrew  
S J Oliver  
P Inglett  
A Darby

### **DIRECTORS' INTERESTS IN SHARES**

The names of the present directors are stated above. None of the directors had any beneficial interest in the ordinary shares of the Company at any time during the year.

The interests of the directors in the ordinary shares of The Wolverhampton & Dudley Breweries, PLC are disclosed in the accounts of that company.

### **AUDITORS**

The auditors PricewaterhouseCoopers LLP, are willing to continue in office and their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



Anne-Marie Brennan  
Company Secretary  
9 December 2005

## **MANSFIELD BREWERY TRADING LIMITED**

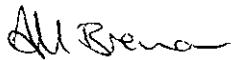
### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 Company and of the profit or loss of the Company for the 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 the going concern basis.

The Directors consider that they have complied fully with the above requirements in preparing the financial statements on pages 4 to 12.

The Directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, to enable them to ensure that 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.



Anne-Marie Brennan  
Company Secretary  
9 December 2005

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANSFIELD BREWERY TRADING LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses, the reconciliation of movement in shareholder's funds and the related notes.

### **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 into whose hands it may come save where we 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.

### **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 1 October 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham  
9 December 2005

**MANSFIELD BREWERY TRADING LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 1 OCTOBER 2005**

	Notes	2005 £m	2004 £m
<b>TURNOVER</b>		<b>4.4</b>	<b>6.1</b>
Trading income/(expenses):			
Before exceptionals	3	(2.4)	(2.5)
Exceptional	3	1.2	-
Total trading income/(expenses)		<u>(1.2)</u>	<u>(2.5)</u>
<b>OPERATING PROFIT</b>		<b>3.2</b>	<b>3.6</b>
Fixed asset disposals	4	<u>(1.9)</u>	<u>(0.3)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1.3</b>	<b>3.3</b>
Taxation	5	<u>(0.5)</u>	<u>(0.5)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>0.8</b>	<b>2.8</b>
Dividends proposed	6	<u>(29.8)</u>	<u>(1.0)</u>
<b>(LOSS)/PROFIT TRANSFERRED (FROM)/TO RESERVES</b>	13	<u><u>(29.0)</u></u>	<u><u>1.8</u></u>

All results relate to continuing operations.

# **MANSFIELD BREWERY TRADING LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 1 OCTOBER 2005**

	<b>2005 £m</b>	<b>2004 £m</b>
Profit on ordinary activities after taxation	<b>0.8</b>	2.8
Unrealised surplus on revaluation of properties	<b>8.5</b>	-
Total recognised gains relating to the period	<b>9.3</b>	<b>2.8</b>

## **NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 1 OCTOBER 2005**

	<b>2005 £m</b>	<b>2004 £m</b>
Profit on ordinary activities before taxation	<b>1.3</b>	3.3
Difference between historical cost depreciation and actual depreciation on the revalued amount	-	0.1
Realisation of property revaluation gains of previous years	-	-
Historical cost profit before taxation	<b>1.3</b>	3.4
Historical cost (loss)/profit for the period after taxation and dividends	<b>(29.0)</b>	<b>1.9</b>

## **RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS FOR THE YEAR ENDED 1 OCTOBER 2005**

	<b>2005 £m</b>	<b>2004 £m</b>
Profit on ordinary activities after taxation	<b>0.8</b>	2.8
Dividends	<b>(29.8)</b>	(1.0)
(Loss)/profit for the period transferred (from)/to reserves	<b>(29.0)</b>	1.8
Revaluation of properties	<b>8.5</b>	-
Opening shareholder's funds	<b>91.0</b>	89.2
Closing shareholder's funds	<b>70.5</b>	<b>91.0</b>

**MANSFIELD BREWERY TRADING LIMITED**

**BALANCE SHEET AT 1 OCTOBER 2005**

	Notes	2005 £m	2004 £m
<b>FIXED ASSETS</b>			
Tangible assets	7	18.9	45.3
Investments	8	<u>0.2</u>	<u>0.2</u>
		<b>19.1</b>	<b>45.5</b>
<b>CURRENT ASSETS</b>			
Debtors	9	150.1	116.0
<b>CREDITORS</b> (amounts falling due within one year)	10	<u>(97.7)</u>	<u>(68.9)</u>
<b>NET CURRENT ASSETS</b>		<u><b>52.4</b></u>	<u><b>47.1</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>71.5</b>	<b>92.6</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	<u>(1.0)</u>	<u>(1.6)</u>
<b>NET ASSETS</b>		<u><u><b>70.5</b></u></u>	<u><u><b>91.0</b></u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	-	-
Share premium account	13	-	-
Revaluation reserve	13	6.2	3.5
Profit and loss account	13	<u>64.3</u>	<u>87.5</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>		<u><u><b>70.5</b></u></u>	<u><u><b>91.0</b></u></u>

The financial statements on pages 4 to 12 were approved by the Board on 9 December 2005 and were signed on its behalf by:



Paul Inglett  
Finance Director  
9 December 2005



# MANSFIELD BREWERY TRADING LIMITED

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The accounts are prepared under the historical cost convention, as modified by the revaluation of certain properties, in accordance with applicable accounting standards and the Companies Act 1985.

The accounts are for the 52 weeks ended 1 October 2005 (2004: 53 weeks ended 2 October 2004).

#### (b) Turnover

Turnover comprises rents receivable and recharges recoverable from fellow Group undertakings. Rental income is recognised in respect of the period to which it relates.

#### (c) Tangible fixed assets

(i) Freehold and leasehold properties are stated at valuation or at cost. Plant, furnishings, equipment and other similar items are stated at cost.

(ii) Freehold buildings are depreciated to residual value on a straight line basis over 50 years.

(iii) Other tangible fixed assets are depreciated to residual value on a straight line basis at rates calculated to provide for the cost of the assets over their anticipated useful lives. Leasehold properties are depreciated over the lower of the lease period and 50 years and other tangible assets over periods ranging from 3 to 15 years.

*Valuation of properties:* Trading properties are revalued professionally by independent valuers on a five-year rolling basis. When a valuation or expected proceeds are below current carrying value the asset concerned is reviewed for impairment. Impairment losses are charged directly to the revaluation reserve until the carrying amount reaches historical cost. Deficits below historical cost are charged to the profit and loss account except to the extent that the value in use exceeds the valuation in which case this is taken to the revaluation reserve. Surpluses on revaluation are recognised in the revaluation reserve, except to the extent that they reverse previously charged impairment losses, in which case they are recorded in the profit and loss account. Any negative valuations are accounted for as onerous leases and included within provisions.

#### (d) Fixed asset disposals

Profit on fixed asset disposals is net sale proceeds less carrying value of the assets.

#### (e) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, which give rise to an obligation to pay more or less tax in the future. Timing differences are differences between the Company's taxable profits and profits as stated in the accounts. Deferred tax assets and liabilities are not discounted, and assets are only recognised where recoverability is probable.

#### (f) Investments

Fixed asset investments are stated at cost, less any provision for diminution in value.

# MANSFIELD BREWERY TRADING LIMITED

## NOTES TO THE ACCOUNTS

### 2 EMPLOYEES AND AUDITOR'S REMUNERATION

The average number of people employed by the company during the year, excluding directors was nil (2004: nil). The directors received no remuneration in respect of their services to the Company (2004: £nil). Auditors' remuneration is borne by the ultimate holding company, The Wolverhampton & Dudley Breweries, PLC.

### 3 TRADING INCOME/(EXPENSES)

	2005 £m	2004 £m
<b>Before exceptionals:</b>		
Depreciation	(1.9)	(2.5)
Other operating charges	(0.5)	-
	<u>(2.4)</u>	<u>(2.5)</u>
<b>Exceptionals:</b>		
Reversal of past impairments	1.2	-
	<u>1.2</u>	<u>-</u>
<b>Total trading income/(expenses)</b>	<u>(1.2)</u>	<u>(2.5)</u>

### 4 FIXED ASSET DISPOSALS

	2005 £m	2004 £m
Loss on disposal of fixed assets	<u>(1.9)</u>	<u>(0.3)</u>

The exceptional tax credit relating to fixed asset disposals is £nil (2003: £nil).

### 5 TAXATION

	2005 £m	2004 £m
The charge to the profit and loss account comprises:		
Current tax:		
Corporation tax on profit for the period	0.7	1.2
Deferred taxation	<u>(0.2)</u>	<u>(0.7)</u>
	<u>0.5</u>	<u>0.5</u>

The actual tax rate for the period is higher (2003: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £m	2004 £m
Profit on ordinary activities before taxation	1.3	3.3
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 30% (2004: 30%)	0.4	1.0
Effects of:		
Costs not deductible for tax purposes	0.6	0.1
Other permanent differences	(0.4)	-
Deficit/(excess) of capital allowances over depreciation	<u>0.1</u>	<u>0.1</u>
	<u>0.7</u>	<u>1.2</u>

#### Factors that may affect future tax charges

Based on current capital expenditure plans, it is anticipated that capital allowances will be in excess of depreciation in future years.

**MANSFIELD BREWERY TRADING LIMITED**

**NOTES TO THE ACCOUNTS**

**6 DIVIDENDS**

	2005 £m	2004 £m
Final proposed £5,676.19 per share net (2004: £185.33)	<u>29.8</u>	<u>1.0</u>

**7 TANGIBLE FIXED ASSETS**

	Freehold properties £m	Leasehold properties: Over 50 years unexpired £m	Under 50 years unexpired £m	Machinery, equipment and vehicles £m	Total £m
<b>Cost or valuation</b>					
At 2 October 2004	29.0	9.0	2.7	42.0	82.7
Additions	-	-	0.7	0.3	1.0
Transfers (to)/from Group undertaking	(26.5)	(5.6)	1.0	(41.3)	(72.4)
Disposals	(0.1)	-	(0.2)	-	(0.3)
Surplus/(deficit) on revaluation	<u>8.1</u>	<u>1.2</u>	<u>(1.1)</u>	<u>-</u>	<u>8.2</u>
<b>At 1 October 2005</b>	<u>10.5</u>	<u>4.6</u>	<u>3.1</u>	<u>1.0</u>	<u>19.2</u>
<b>Depreciation</b>					
At 2 October 2004	0.9	0.3	0.2	36.0	37.4
Charge for the period	0.2	0.1	-	1.6	1.9
Transfers to Group undertakings	(0.1)	(0.1)	-	(37.3)	(37.5)
Revaluation	<u>(1.0)</u>	<u>(0.3)</u>	<u>(0.2)</u>	<u>-</u>	<u>(1.5)</u>
<b>At 1 October 2005</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.3</u>	<u>0.3</u>
<b>Net book value</b>					
<b>At 1 October 2005</b>	<u>10.5</u>	<u>4.6</u>	<u>3.1</u>	<u>0.7</u>	<u>18.9</u>
At 2 October 2004	<u>28.1</u>	<u>8.7</u>	<u>2.5</u>	<u>6.0</u>	<u>45.3</u>

If the properties had not been revalued, the historical net book value would be £12.0m (2003: £35.8m).

On 2 July 2005, independent chartered surveyors, Christie & Co, revalued the estate of Mansfield Brewery Trading Limited on an existing use basis.

The revaluation at 2 July 2005 has been reflected in the accounts as follows:

	£m
<b>Exceptional items:</b>	
Revaluation loss - charged as an impairment	(3.4)
Reversal of past impairment loss	<u>4.6</u>
Net profit and loss account income	<u>1.2</u>
<b>Revaluation reserve:</b>	
Revaluation surplus	<u>8.5</u>
Net revaluation surplus taken to revaluation reserve	<u>8.5</u>
<b>Net increase in shareholders' funds/fixed assets</b>	<u>9.7</u>

# **MANSFIELD BREWERY TRADING LIMITED**

## **NOTES TO THE ACCOUNTS**

### **8 FIXED ASSET INVESTMENTS**

	<b>Shares in subsidiary undertakings £m</b>
<b>Cost</b>	
At 1 October 2005 and 3 October 2004	<b>0.2</b>
<b>Provisions</b>	
At 1 October 2005 and 3 October 2004	<b>-</b>
<b>Net book amount</b>	
At 1 October 2005 and 2 October 2004	<b>0.2</b>

### **9 DEBTORS**

	<b>2005 £m</b>	<b>2004 £m</b>
Amounts owed by Group undertakings	<b>150.1</b>	<b>116.0</b>

### **10 CREDITORS (amounts falling due within one year)**

	<b>2005 £m</b>	<b>2004 £m</b>
Amounts owed to Group undertakings	<b>67.2</b>	<b>67.3</b>
Corporation tax	<b>0.7</b>	<b>0.6</b>
Dividend payable	<b>29.8</b>	<b>1.0</b>
	<b>97.7</b>	<b>68.9</b>

# MANSFIELD BREWERY TRADING LIMITED

## NOTES TO THE ACCOUNTS

### 11 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £m	Property lease £m	Total £m
At 2 October 2004	1.6	-	1.6
Fixed asset transfers	(1.0)	-	(1.0)
(Credit)/charge to profit and loss account	<u>(0.2)</u>	<u>0.6</u>	<u>0.4</u>
<b>At 1 October 2005</b>	<b><u>0.4</u></b>	<b><u>0.6</u></b>	<b><u>1.0</u></b>

#### Deferred tax:

The amount provided in respect of deferred tax is as follows:

	2005 £m	2004 £m
Excess of capital allowances over accumulated depreciation	<u>0.4</u>	<u>1.6</u>
	<b><u>0.4</u></b>	<b><u>1.6</u></b>

Deferred tax has been calculated at the tax rates expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

No provision has been made for deferred tax on gains recognised on revaluing properties to their market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would only become payable if the properties were sold without it being possible to claim rollover relief. The total amount unprovided for, after offsetting available capital losses, is estimated at £nil (2004: £nil). At present it is not envisaged that any such tax will become payable in the foreseeable future.

#### Property leases:

When valuations of leasehold properties (based on future estimated income streams) give rise to a deficit as a result of onerous lease conditions they are recognised as liabilities in provisions. Payments are expected to be ongoing on the property for 43 years. The amounts are not discounted as the Directors consider the discounted amounts would not be materially different from the amounts recognised.

### 12 SHARE CAPITAL

	2005 £	2004 £
<b>Authorised:</b>		
7,300 ordinary shares of £1 each	<u>7,300</u>	<u>7,300</u>
<b>Allotted, issued and fully paid:</b>		
5,250 ordinary shares of £1 each	<u>5,250</u>	<u>5,250</u>

## MANSFIELD BREWERY TRADING LIMITED

### NOTES TO THE ACCOUNTS

#### 13 RESERVES

	Revaluation reserve £m	Profit and loss account £m	Total £m
At 2 October 2004	3.5	87.5	91.0
Property revaluation in the period	8.5	-	8.5
Disposal of properties	(5.8)	5.8	-
Loss transferred from reserves	-	(29.0)	(29.0)
<b>At 1 October 2005</b>	<b>6.2</b>	<b>64.3</b>	<b>70.5</b>

In addition to the reserves shown above, there is a share premium account. At 1 October 2005 the balance on this account was £1,000 (2004: £1,000). There has been no movement on this account during the period.

#### 14 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Mansfield Brewery Limited. The ultimate parent undertaking and controlling party is The Wolverhampton & Dudley Breweries, PLC. Copies of the Group financial statements can be obtained from the Company Secretary, PO Box 26, Park Brewery, Wolverhampton, WV1 4NY.

#### 15 CASH FLOW STATEMENT

The Wolverhampton & Dudley Breweries, PLC has included within its financial statements a consolidated cash flow statement and, therefore, under Financial Reporting Standard 1 (revised), Cash Flow Statements, the Company is exempt from the requirement to prepare a cash flow statement.

#### 16 SUBSIDIARY UNDERTAKINGS

The Company has a number of wholly-owned subsidiary undertakings, all of which are registered in England. The principal subsidiary company is:

	Nature of business	Number of shares held	Class of shares
Mansfield Brewery Properties Limited	Property ownership	5,000,000	Ordinary £1 shares

A complete list of subsidiary undertakings is available at the Company's registered office.

#### 17 RELATED PARTY TRANSACTIONS

Under FRS 8, the Company is exempt from the requirement to disclose related party transactions with other group companies on the grounds that it is a wholly-owned subsidiary of The Wolverhampton and Dudley Breweries, PLC, whose consolidated accounts are publicly available.