

COMPANY REGISTRATION NUMBER 1699439

Aston Manor Brewery Company Limited
Consolidated Financial Statements
For the Year Ended
31 December 2004



HAINES WATTS
Chartered Accountants & Registered Auditors
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Aston Manor Brewery Company Limited

Consolidated Financial Statements

Year Ended 31 December 2004

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Aston Manor Brewery Company Limited

Officers and Professional Advisers

The Board of Directors

H D Ellis
P D Ellis
P G Collings

Company Secretary

P D Ellis

Registered Office

173 Thimblemill Lane
Aston
Birmingham
B7 5HS

Auditors

Haines Watts
Chartered Accountants
& Registered Auditors
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Bankers

Lloyds TSB Bank plc
Birmingham City Centre
PO Box 44
125 Colmore Row
Birmingham
B3 3AD

Aston Manor Brewery Company Limited

The Directors' Report

Year Ended 31 December 2004

The directors have pleasure in presenting their report and the consolidated financial statements of the group for the year ended 31 December 2004.

Principal Activities and Business Review

The company and group are principally engaged in the production of beers, ciders and alcoholic beverages.

There was a loss for the year after taxation and minority interests amounting to £72,084. The directors do not recommend payment of a dividend and the loss has therefore been transferred to reserves.

Results and Dividends

The trading results for the year and the group's financial position at the end of the year are shown in the attached consolidated financial statements.

The directors have not recommended a dividend.

The Directors and their Interests

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2004	At 1 January 2004
H D Ellis	105,469	105,469
P D Ellis	9,176	9,176
P G Collings	—	—

M J Ansell retired as a director on 5 November 2004.

Fixed Assets

Details of movements in fixed assets are set out in the notes to the accounts.

Directors' Responsibilities

Company law requires the directors to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year.

In preparing those consolidated financial statements, the directors are required to select suitable accounting policies, as described on pages 11 to 12, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the consolidated financial statements 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 group and to enable them to ensure that the consolidated financial statements comply with the Companies Act 1985. The directors 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.

Aston Manor Brewery Company Limited

The Directors' Report *(continued)*

Year Ended 31 December 2004

Post Balance Sheet Events

On 12 April 2005 the company received a court order for the buy back of 138,859 ordinary shares, from shareholders, for a total consideration of £2,500,000. The transaction was completed on 27 May 2005.

On 21 June 2004 a writ was issued against the company and its subsidiary, The Hereford Orchards Cider Company Limited, by M T Hancocks and R J Hancocks in the sum of £949,000 with regard to abiding by a formal agreement between The Hereford Orchards Cider Company Limited and M T & R J Hancocks, for the supply of apples until 2015. By a Court Order dated 25 July 2005, the action against the company was dismissed with no order as to the costs of the case.

Auditors

A resolution to re-appoint Haines Watts as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
173 Thimblemill Lane
Aston
Birmingham
B7 5HS

Signed by order of the directors



P D Ellis
Company Secretary

Approved by the directors on 27-9-05

Aston Manor Brewery Company Limited

Independent Auditors' Report to the Shareholders of Aston Manor Brewery Company Limited

Year Ended 31 December 2004

We have audited the consolidated financial statements of Aston Manor Brewery Company Limited for the year ended 31 December 2004 on pages 6 to 23 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the consolidated 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 consolidated 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 with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom 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 consolidated financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the consolidated 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 consolidated 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 consolidated financial statements.

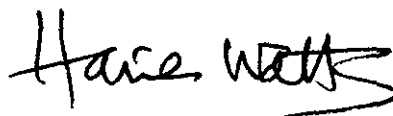
Aston Manor Brewery Company Limited

Independent Auditors' Report to the Shareholders of Aston Manor Brewery Company Limited *(continued)*

Year Ended 31 December 2004

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 December 2004 and of the loss of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



HAINES WATTS
Chartered Accountants
& Registered Auditors

Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

29 September 2005

Aston Manor Brewery Company Limited

Profit and Loss Account

Year Ended 31 December 2004

	Note	2004 £	2003 £
Group Turnover	2	22,226,091	22,711,921
Cost of sales		19,011,887	19,014,518
Gross Profit		3,214,204	3,697,403
Distribution costs		1,666,798	1,820,513
Administrative expenses		1,903,673	2,139,617
Other operating income		(291,344)	(130,254)
Operating Loss	3	(64,923)	(132,473)
Interest receivable		394	154
Interest payable and similar charges	6	(74,107)	(66,233)
Loss on Ordinary Activities Before Taxation		(138,636)	(198,552)
Tax on loss on ordinary activities	7	(67,305)	97,568
Loss on Ordinary Activities after Taxation		(71,331)	(296,120)
Minority interests		753	(4,942)
Loss Attributable to Members of the Parent Company	8	(72,084)	(291,178)
Loss for the Financial Year		<u>(72,084)</u>	<u>(291,178)</u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 230 of the Companies Act 1985
not to publish its own Profit and Loss Account.

The notes on pages 11 to 23 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Group Statement of Total Recognised Gains and Losses

Year Ended 31 December 2004

	2004 £	2003 £
Loss for the financial year attributable to the shareholders of the parent company	(72,084)	(291,178)
Unrealised profit on revaluation of certain fixed assets	—	99,458
Unrealised profit on revaluation of tangible fixed assets:		
Plant & Machinery	—	717,406
Fixtures & Fittings	—	(55,731)
Motor Vehicles	—	(734)
Total gains and losses recognised since the last annual report	<u>(72,084)</u>	<u>469,221</u>

The notes on pages 11 to 23 form part of these consolidated financial statements.

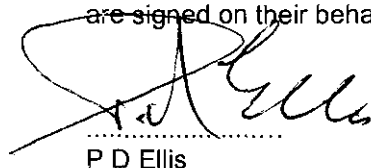
Aston Manor Brewery Company Limited

Group Balance Sheet

31 December 2004

	Note	2004 £	2003 £
Fixed Assets			
Intangible assets	9	(42,051)	(42,088)
Tangible assets	10	6,008,902	5,887,981
Investments	11	20,961	20,961
		<u>5,987,812</u>	<u>5,866,854</u>
Current Assets			
Stocks	12	1,121,299	1,009,958
Debtors	13	4,469,568	4,543,513
Cash in hand		1,320	963
		<u>5,592,187</u>	<u>5,554,434</u>
Creditors: Amounts Falling due Within One Year	14	<u>5,663,923</u>	<u>5,348,004</u>
Net Current (Liabilities)/Assets		<u>(71,736)</u>	<u>206,430</u>
Total Assets Less Current Liabilities		<u>5,916,076</u>	<u>6,073,284</u>
Creditors: Amounts Falling due after More than One Year	15	<u>336,701</u>	<u>403,228</u>
		<u>5,579,375</u>	<u>5,670,056</u>
Provisions for Liabilities and Charges			
Deferred taxation	17	101,426	115,500
Government grants	18	142,425	147,700
		<u>5,335,524</u>	<u>5,406,856</u>
Minority Interests		<u>(9,326)</u>	<u>(8,574)</u>
		<u>5,326,198</u>	<u>5,398,282</u>
Capital and Reserves			
Called-up equity share capital	20	322,081	322,081
Share premium account	21	20,000	20,000
Revaluation reserve	21	760,398	760,398
Other reserves	21	181,395	181,395
Profit and loss account	21	4,042,324	4,114,408
Shareholders' Funds	22	<u>5,326,198</u>	<u>5,398,282</u>

These consolidated financial statements were approved by the directors on the 27-9-05 and are signed on their behalf by:



P D Ellis

The notes on pages 11 to 23 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Balance Sheet

31 December 2004

	Note	2004 £	£	2003 £	£
Fixed Assets					
Tangible assets	10		4,708,835		4,462,743
Investments	11		512,196		537,196
			<u>5,221,031</u>		<u>4,999,939</u>
Current Assets					
Stocks	12	976,619		930,542	
Debtors	13	3,866,080		4,009,687	
Cash at bank and in hand		124,060		24,088	
		<u>4,966,759</u>		<u>4,964,317</u>	
Creditors: Amounts Falling due Within One Year	14	<u>4,538,068</u>		<u>4,213,176</u>	
Net Current Assets			<u>428,691</u>		<u>751,141</u>
Total Assets Less Current Liabilities			<u>5,649,722</u>		<u>5,751,080</u>
Provisions for Liabilities and Charges					
Deferred taxation	17		126,975		124,223
Government grants	18		142,425		147,700
			<u>5,380,322</u>		<u>5,479,157</u>
Capital and Reserves					
Called-up equity share capital	20		322,081		322,081
Share premium account	21		20,000		20,000
Revaluation reserve	21		784,842		784,842
Other reserves	21		181,395		181,395
Profit and loss account	21		4,072,004		4,170,839
Shareholders' Funds			<u>5,380,322</u>		<u>5,479,157</u>

These consolidated financial statements were approved by the directors on the 27-9-05 and are signed on their behalf by:


P D Ellis

The notes on pages 11 to 23 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Group Cash Flow Statement

Year Ended 31 December 2004

	Note	2004 £	£	2003 £	£
Net Cash Inflow From Operating Activities	23		619,492		41,900
Returns on Investments and Servicing of Finance					
Interest received		394		154	
Interest paid		(73,880)		(65,417)	
Interest element of hire purchase and finance lease		(227)		(816)	
Net Cash Outflow From Returns on Investments and Servicing of Finance			(73,713)		(66,079)
Taxation			(62,565)		186,228
Capital Expenditure					
Payments to acquire tangible fixed assets		(655,359)		(754,519)	
Receipts from sale of fixed assets		19,096		64,481	
Net Cash Outflow From Capital Expenditure			(636,263)		(690,038)
Cash Outflow Before Financing			(153,049)		(527,989)
Financing					
(Repayment) of bank loans		(36,527)		(35,480)	
Capital element of hire purchase and finance lease		(1,163)		(3,234)	
Net (outflow)/inflow from other long-term creditors		(30,000)		57,500	
Net outflow from long-term accruals		—		(124,500)	
Net Cash Outflow From Financing			(67,690)		(105,714)
Decrease in Cash	24		(220,739)		(633,703)

The notes on pages 11 to 23 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

1. Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Basis of Consolidation

The consolidated financial statements incorporate the consolidated financial statements of the company and all group undertakings, together with the group's share of the net assets and results of associated undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and Loss Account is published, a separate profit and loss account for the parent company is omitted from the group consolidated financial statements by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Subsidiary acquisitions	-	15 years
Public house acquisitions	-	3 years

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2.5% straight line
Plant and Machinery	-	10% - 25% straight line
Fixtures and Fittings	-	10% straight line
Motor Vehicles	-	25% reducing balance
Public House Refurbishments	-	20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

1. Accounting Policies *(continued)*

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign Currencies

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

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Deferred Government Grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2004	2003
	£	£
United Kingdom	21,380,172	21,943,222
Europe	845,919	768,699
	<u>22,226,091</u>	<u>22,711,921</u>

3. Operating Loss

Operating loss is stated after charging/(crediting):

	2004	2003
	£	£
Amortisation of government grants re fixed assets	(5,275)	(5,275)
Amortisation of goodwill	4,167	4,166
Depreciation of owned fixed assets	511,347	486,888
Loss on disposal of fixed assets	3,996	9,551
Auditors' remuneration		
- as auditors	16,852	15,363
Operating lease costs:		
Land and buildings	221,393	233,878
Net (profit)/loss on foreign currency translation	<u>(6,705)</u>	<u>1,226</u>

4. Particulars of Employees

The average number of staff employed by the group during the financial year amounted to:

	2004	2003
	No	No
Number of production staff	74	81
Number of distribution staff	44	51
Number of administrative staff	21	25
	<u>139</u>	<u>157</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	2,328,456	2,554,871
Social security costs	229,815	233,625
Other pension costs	11,948	14,540
	<u>2,570,219</u>	<u>2,803,036</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

5. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2004 £	2003 £
Emoluments receivable	288,588	282,074
Value of company pension contributions to money purchase schemes	10,044	10,040
	<u>298,632</u>	<u>292,114</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2004 No	2003 No
Money purchase schemes	<u>3</u>	<u>2</u>

6. Interest Payable and Similar Charges

	2004 £	2003 £
Finance charges	227	816
Other similar charges payable	73,880	65,417
	<u>74,107</u>	<u>66,233</u>

7. Taxation on Ordinary Activities

	2004 £	2003 £
Current tax:		
UK Corporation tax based on the results for the year at -% (2003 - -%)	(53,231)	—
Total current tax	<u>(53,231)</u>	<u>—</u>
Deferred tax:		
Origination and reversal of timing differences (note 17)		
Capital allowances	(14,074)	97,568
Tax on loss on ordinary activities	<u>(67,305)</u>	<u>97,568</u>

8. Loss Attributable to Members of the Parent Company

The parent company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a loss of £98,832 which is dealt with in the financial statements of the company.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

9. Intangible Fixed Assets

Group	Goodwill £
Cost	
At 1 January 2004 and 31 December 2004	<u>(50,574)</u>
Amortisation	
At 1 January 2004	(8,486)
Charge for the year	(37)
At 31 December 2004	<u>(8,523)</u>
Net Book Value	
At 31 December 2004	<u>(42,051)</u>
At 31 December 2003	<u>(42,088)</u>

10. Tangible Fixed Assets

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Pub House refurbish- ments £	Total £
Cost or Valuation						
At 1 Jan 2004	3,027,091	2,570,896	175,538	39,800	772,541	6,585,866
Additions	55,449	564,471	26,867	8,572	–	655,359
Disposals	–	(9,600)	–	(19,500)	–	(29,100)
At 31 Dec 2004	<u>3,082,540</u>	<u>3,125,767</u>	<u>202,405</u>	<u>28,872</u>	<u>772,541</u>	<u>7,212,125</u>
Depreciation						
At 1 Jan 2004	76,538	308,006	43,013	8,824	261,504	697,885
Charge for the year	79,421	335,434	19,871	6,232	70,388	511,046
On disposals	–	(1,133)	–	(4,875)	–	(6,008)
At 31 Dec 2004	<u>155,959</u>	<u>642,307</u>	<u>62,884</u>	<u>10,181</u>	<u>331,892</u>	<u>1,202,923</u>
Net Book Value						
At 31 Dec 2004	<u>2,926,581</u>	<u>2,483,460</u>	<u>139,521</u>	<u>18,691</u>	<u>440,649</u>	<u>6,008,902</u>
At 31 Dec 2003	<u>2,950,553</u>	<u>2,262,890</u>	<u>132,525</u>	<u>30,976</u>	<u>511,037</u>	<u>5,887,981</u>

On 22 October 2003 the company's fixed assets were valued by external surveyors. Colliers CRE valued the company's Freehold Property and Charterfields International Consultants undertook a valuation of the company's Plant and Machinery.

The basis on which the valuations took place was an opinion of the price at which an interest in the fixed assets utilised in the business would have been transferred at the date of valuation.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

10. Tangible Fixed Assets *(continued)*

Hire purchase and finance lease agreements

Included within the net book value of £6,008,902 is £Nil (2003 - £Nil) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the consolidated financial statements in the year in respect of such assets amounted to £Nil (2003 - £Nil).

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost or Valuation				
At 1 January 2004	2,635,347	2,122,804	30,448	4,788,599
Additions	55,449	558,825	3,169	617,443
Disposals	—	(9,600)	—	(9,600)
At 31 December 2004	2,690,796	2,672,029	33,617	5,396,442
Depreciation				
At 1 January 2004	60,501	262,335	3,021	325,857
Charge for the year	69,629	290,046	3,208	362,883
On disposals	—	(1,133)	—	(1,133)
At 31 December 2004	130,130	551,248	6,229	687,607
Net Book Value				
At 31 December 2004	2,560,666	2,120,781	27,388	4,708,835
At 31 December 2003	2,574,846	1,860,469	27,427	4,462,742

11. Investments

Group	Other Investments £
Cost	
At 1 January 2004 and 31 December 2004	20,961
Net Book Value	
At 31 December 2004	20,961
At 31 December 2003	20,961

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

11. Investments (continued)

At 31 December 2004 the undertakings in which the company held more than 20% of a class of the allotted equity share capital were as follows:

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
The Hereford Orchards Cider Company Limited	England	Ordinary shares	100%	Brewery Company
The Roman Springs Pure Water Company Limited	England	Ordinary shares	100%	Dormant
Highgate Brewery Limited	England	Ordinary shares	97%	Brewery Company

The capital and reserves and profit and loss for the subsidiaries as at their financial years ending with the financial year of the holding company were as follows:

	2004 £	2003 £
Aggregate capital and reserves		
The Hereford Orchards Cider Company Limited	(371,110)	(370,740)
The Roman Springs Pure Water Company Limited	2	2
Highgate Brewery Limited	<u>64,108</u>	<u>36,235</u>
Profit and (loss) for the year		
The Hereford Orchards Cider Company Limited	(370)	(165,932)
The Roman Springs Pure Water Company Limited	—	—
Highgate Brewery Limited	<u>27,873</u>	<u>(163,128)</u>

The market value of listed investments included within Other Investments above was £20,707 as at 31 December 2004 (2003 - £10,020).

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

11. Investments (continued)

Company	Group companies	Associated undertakings	Total
	£	£	£
Cost			
At 1 January 2004 and 31 December 2004	<u>360,003</u>	<u>20,961</u>	<u>380,964</u>
Amounts Written Off			
At 1 January 2004 and 31 December 2004	<u>323,768</u>	<u>—</u>	<u>323,768</u>
Loans			
At 1 January 2004	480,000	—	480,000
Advanced in year	55,000	—	55,000
Repaid in year	(80,000)	—	(80,000)
At 31 December 2004	<u>455,000</u>	<u>—</u>	<u>455,000</u>
Net Book Value			
At 31 December 2004	<u>491,235</u>	<u>20,961</u>	<u>512,196</u>
At 31 December 2003	<u>516,235</u>	<u>20,961</u>	<u>537,196</u>

12. Stocks

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Raw materials	521,048	525,998	474,239	494,723
Work in progress	171,401	137,258	160,699	130,522
Finished goods	428,850	346,702	341,681	305,297
	<u>1,121,299</u>	<u>1,009,958</u>	<u>976,619</u>	<u>930,542</u>

13. Debtors

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	4,048,592	4,163,180	3,556,173	3,804,263
Corporation tax repayable	40,500	—	40,500	—
Other debtors	153,770	152,884	133,204	65,343
Prepayments and accrued income	226,706	227,449	136,203	140,081
	<u>4,469,568</u>	<u>4,543,513</u>	<u>3,866,080</u>	<u>4,009,687</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

14. Creditors: Amounts Falling due Within One Year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	1,905,518	1,684,422	1,714,861	1,512,231
Trade creditors	2,182,456	2,155,650	1,560,426	1,427,598
Amounts owed to undertakings in which The company has a participating interest	—	—	171,679	171,679
Hire purchase and finance lease agreements	—	1,163	—	—
Other creditors	707,217	854,643	347,734	564,358
Accruals and deferred income	868,732	652,126	743,368	537,310
	<u>5,663,923</u>	<u>5,348,004</u>	<u>4,538,068</u>	<u>4,213,176</u>

The bank loans and overdrafts are secured by a fixed and floating charge on all property and assets.

15. Creditors: Amounts Falling due after More than One Year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	309,201	345,728	—	—
Other creditors	27,500	57,500	—	—
	<u>336,701</u>	<u>403,228</u>	<u>—</u>	<u>—</u>

The bank loans and overdrafts are secured by a fixed and floating charge on all property and assets.

16. Commitments under Hire Purchase and Finance Lease Agreements

There are no future commitments under hire purchase and finance lease agreements.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

17. Deferred Taxation

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Provision brought forward	115,500	17,932	124,223	6,745
(Decrease)/Increase in provision	(14,074)	97,568	2,752	117,478
Provision carried forward	<u>101,426</u>	<u>115,500</u>	<u>126,975</u>	<u>124,223</u>

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>101,426</u>	<u>115,500</u>	<u>126,975</u>	<u>124,223</u>

18. Government Grants

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Received and receivable:				
At 1 January 2004	(168,800)	(168,800)	(168,800)	(168,800)
At 31 December 2004	<u>(168,800)</u>	<u>(168,800)</u>	<u>(168,800)</u>	<u>(168,800)</u>
Amortisation:				
At 1 January 2004	21,100	15,825	21,100	15,825
Credit to profit and loss account	5,275	5,275	5,275	5,275
At 31 December 2004	<u>26,375</u>	<u>21,100</u>	<u>26,375</u>	<u>21,100</u>
Net balance at 31 December 2004	<u>142,425</u>	<u>147,700</u>	<u>142,425</u>	<u>147,700</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

19. Related Party Transactions

During the year the following transactions took place in which the directors had a material interest.

H D Ellis part owns premises which are occupied by the company. The rent charged in these accounts was £20,000 (2003 - £20,000). There is a formal lease in respect of the property. At 31 December 2004 an amount of £20,000 was due in respect of this rent (2003 - £40,000).

20. Share Capital

Authorised share capital:

	2004 £	2003 £
545,000 Ordinary shares of £1 each	545,000	545,000
100,000 Preference shares of £1 each	100,000	100,000
	<u>645,000</u>	<u>645,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>322,081</u>	<u>322,081</u>	<u>322,081</u>	<u>322,081</u>

21. Reserves

Group	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	20,000	760,398	181,395	4,114,408
Loss for the year	—	—	—	(72,084)
Balance carried forward	<u>20,000</u>	<u>760,398</u>	<u>181,395</u>	<u>4,042,324</u>

Company	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	20,000	784,842	181,395	4,170,839
Loss for the year	—	—	—	(98,835)
Balance carried forward	<u>20,000</u>	<u>784,842</u>	<u>181,395</u>	<u>4,072,004</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

22. Reconciliation of Movements in Shareholders' Funds

	2004 £	2003 £
Loss for the financial year	(72,085)	(291,178)
Other net recognised gains and losses	—	760,398
Net (reduction)/addition to shareholders' equity funds	(72,085)	469,220
Opening shareholders' equity funds	5,398,282	4,929,062
Closing shareholders' equity funds	5,326,197	5,398,282

23. Reconciliation of Operating Loss to Net Cash Inflow/(Outflow) From Operating Activities

	2004 £	2003 £
Operating loss	(64,624)	(132,473)
Amortisation	(37)	(38)
Depreciation	511,046	486,888
Loss on disposal of fixed assets	3,996	9,551
Amortisation of government grants	(5,275)	(5,275)
(Increase)/decrease in stocks	(111,341)	225,813
Decrease/(increase) in debtors	114,445	(46,621)
Increase/(decrease) in creditors	171,282	(653,488)
Impairment of fixed assets	—	157,543
Net cash inflow/(outflow) from operating activities	619,492	41,900

24. Reconciliation of Net Cash Flow to Movement in Net Debt

	2004 £	2003 £
Decrease in cash in the period	(220,739)	(633,703)
Net cash outflow from bank loans	36,527	35,480
Cash outflow in respect of hire purchase and finance lease	1,163	3,234
Net cash outflow from/(inflow) from other long-term creditors	30,000	(57,500)
Net cash outflow from long-term accruals	—	124,500
	(153,049)	(527,989)
Change in net debt	(153,049)	(527,989)
Net debt at 1 January 2004	(2,087,850)	(1,559,861)
Net debt at 31 December 2004	(2,240,899)	(2,087,850)

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2004

25. Analysis of Changes in Net Debt

	At 1 Jan 2004 £	Cash flows £	At 31 Dec 2004 £
Net cash:			
Cash in hand and at bank	963	357	1,320
Overdrafts	(1,639,922)	(221,096)	(1,861,018)
	<u>(1,638,959)</u>	<u>(220,739)</u>	<u>(1,859,698)</u>
Debt:			
Debt due within 1 year	(44,500)	–	(44,500)
Debt due after 1 year	(403,228)	66,527	(336,701)
Hire purchase and finance lease agreements	(1,163)	1,163	–
	<u>(448,891)</u>	<u>67,690</u>	<u>(381,201)</u>
Net debt	<u>(2,087,850)</u>	<u>(153,049)</u>	<u>(2,240,899)</u>

26. Post Balance Sheet Events

On 12 April 2005 the company received a court order for the buy back of 138,859 ordinary shares, from shareholders, for a total consideration of £2,500,000. The transaction was completed on 27 May 2005.

On 21 June 2004 a writ was issued against the company and its subsidiary, The Hereford Orchards Cider Company Limited, by M T Hancocks and R J Hancocks in the sum of £949,000 with regard to abiding by a formal agreement between The Hereford Orchards Cider Company Limited and M T & R J Hancocks, for the supply of apples until 2015. By a Court Order dated 25 July 2005, the action against the company was dismissed with no order as to the costs of the case.

27. Pension Commitments

The company operates a defined contribution pension scheme for the benefit of the directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

The pension cost charge for the year was £11,948 (2003 - £14,540).