

COMPANY REGISTRATION NUMBER 1699439

Aston Manor Brewery Company Limited
Consolidated Financial Statements
For the Year Ended
31 December 2002



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 2002

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Aston Manor Brewery Company Limited

Officers and Professional Advisers

The Board of Directors

H Ellis
M Hancocks
P Ellis
P Collings
M J Ansell

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 Bank Plc
Birmingham City Centre
PO Box 908
1 Cornwall Street
Birmingham
B3 2DS

Aston Manor Brewery Company Limited

The Directors' Report

Year Ended 31 December 2002

The directors have pleasure in presenting their report and the consolidated financial statements of the group for the year ended 31 December 2002.

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 amounting to £782,462. The directors do not recommend payment of a dividend and the profit 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 2002	At 1 January 2002
H Ellis	105,469	105,469
M Hancocks	38,359	38,359
P Ellis	9,176	9,176
P Collings	—	—
M J Ansell	—	—

M Hancocks was removed from the Board of Directors at an extraordinary general meeting on 4 June 2003.

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 at the end of the year and of the group's profit or loss for the year then ended.

In preparing those consolidated financial statements, the directors are required to select suitable accounting policies, as described on pages 10 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 2002

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 23 September 2003

Aston Manor Brewery Company Limited

Independent Auditors' Report to the Shareholders

Year Ended 31 December 2002

We have audited the consolidated financial statements on pages 6 to 24 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 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 the Directors and the Auditors

The directors' responsibilities for preparing the Annual Report and the consolidated financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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 company 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. Our responsibilities do not extend to any other information.

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.

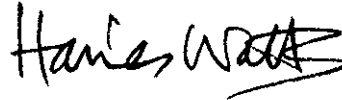
Aston Manor Brewery Company Limited

Independent Auditors' Report to the Shareholders *(continued)*

Year Ended 31 December 2002

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 2002 and of the loss of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

HAINES WATTS
Chartered Accountants
& Registered Auditors

06 October 2003

Aston Manor Brewery Company Limited

Profit and Loss Account

Year Ended 31 December 2002

	Note	2002 £	2001 £
Group Turnover	2	22,419,837	24,719,013
Cost of sales		19,377,895	20,467,306
Gross Profit		3,041,942	4,251,707
Distribution costs		1,906,717	1,986,368
Administrative expenses		2,165,927	1,591,765
Other operating income		(125,565)	(139,132)
Operating (Loss)/Profit	3	(905,137)	812,706
Interest receivable		1,435	4,347
Interest payable	6	(39,952)	(76,481)
(Loss)/Profit on Ordinary Activities Before Taxation		(943,654)	740,572
Tax on (loss)/profit on ordinary activities	7	(161,192)	325,707
(Loss)/Profit on Ordinary Activities after Taxation		(782,462)	414,865
Minority interests		(1,912)	2,550
(Loss)/Profit Attributable to Members of the Parent Company	8	(780,550)	412,315
(Loss)/Retained Profit for the Financial Year		(780,550)	412,315

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

The group has no recognised gains or losses other than the results for the year as set out above.

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 10 to 25 form part of these consolidated financial statements.

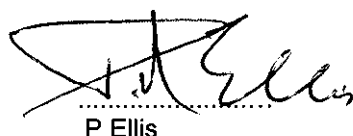
Aston Manor Brewery Company Limited

Group Balance Sheet

31 December 2002

	Note	2002 £	2001 £
Fixed Assets			
Intangible assets	9	(42,126)	(54,664)
Tangible assets	10	5,082,793	4,843,782
Investments	11	250	250
		<u>5,040,917</u>	<u>4,789,368</u>
Current Assets			
Stocks	12	1,235,771	1,146,887
Debtors	13	4,607,824	4,964,491
Investments	14	20,707	20,707
Cash at bank and in hand		2,065	8,221
		<u>5,866,367</u>	<u>6,140,306</u>
Creditors: Amounts Falling due Within One Year	15	<u>5,288,131</u>	<u>4,688,457</u>
Net Current Assets		<u>578,236</u>	<u>1,451,849</u>
Total Assets Less Current Liabilities		<u>5,619,153</u>	<u>6,241,217</u>
Creditors: Amounts Falling due after More than One Year	16	<u>505,668</u>	<u>319,702</u>
		<u>5,113,485</u>	<u>5,921,515</u>
Provisions for Liabilities and Charges			
Deferred taxation	18	17,932	42,043
Government grants	19	152,975	158,250
		<u>4,942,578</u>	<u>5,721,222</u>
Minority Interests		<u>(13,516)</u>	<u>(15,428)</u>
		<u>4,929,062</u>	<u>5,705,794</u>
Capital and Reserves			
Called-up equity share capital	22	322,081	322,081
Share premium account	23	20,000	20,000
Other reserves	23	181,395	181,395
Profit and loss account	23	4,405,586	5,182,318
Shareholders' Funds	24	<u>4,929,062</u>	<u>5,705,794</u>

These consolidated financial statements were approved by the directors on the 23/9/03 and are signed on their behalf by:


P Ellis

The notes on pages 10 to 25 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Balance Sheet

31 December 2002

	Note	2002 £	£	2001 £	£
Fixed Assets					
Tangible assets	10		3,326,618		3,826,872
Investments	11		224,061		327,900
			<u>3,550,679</u>		<u>4,154,772</u>
Current Assets					
Stocks	12	1,053,720		1,037,467	
Debtors	13	3,972,221		4,208,643	
Investments	14	20,707		20,707	
Cash at bank and in hand		55,640		141,832	
		<u>5,102,288</u>		<u>5,408,649</u>	
Creditors: Amounts Falling due Within One Year	15	3,491,758		3,509,772	
Net Current Assets			<u>1,610,530</u>		<u>1,898,877</u>
Total Assets Less Current Liabilities			<u>5,161,209</u>		<u>6,053,649</u>
Provisions for Liabilities and Charges					
Deferred taxation	18		6,745		42,043
Government grants	19		152,975		158,250
			<u>5,001,489</u>		<u>5,853,356</u>
Capital and Reserves					
Called-up equity share capital	22		322,081		322,081
Share premium account	23		20,000		20,000
Other reserves	23		181,395		181,395
Profit and loss account	23		4,478,013		5,329,880
Shareholders' Funds			<u>5,001,489</u>		<u>5,853,356</u>

These consolidated financial statements were approved by the directors on the 12/8/03 and are signed on their behalf by:


P Ellis

The notes on pages 10 to 25 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Group Cash Flow Statement

Year Ended 31 December 2002

	Note	2002 £	£	2001 £	£
Net Cash Inflow From Operating Activities	25		1,563,781		2,907,677
Returns on Investments and Servicing of Finance					
Interest received		1,435		4,347	
Interest paid		(39,136)		(74,943)	
Interest element of hire purchase and finance lease		(816)		(1,538)	
Net Cash Outflow From Returns on Investments and Servicing of Finance			(38,517)		(72,134)
Taxation			(164,415)		(418,983)
Capital Expenditure					
Payments to acquire intangible fixed assets		(12,500)		—	
Payments to acquire tangible fixed assets		(1,809,193)		(1,859,766)	
Receipts from sale of fixed assets		128,100		451,835	
Net Cash Outflow From Capital Expenditure			(1,693,593)		(1,407,931)
Management of Liquid Resources					
Financing					
Increase in bank loans		307,675		113,526	
Capital element of hire purchase and finance lease		(3,233)		(22,089)	
Net (outflow)/inflow from long-term accruals		(89,169)		58,326	
Net Cash Inflow From Financing			215,273		149,763
(Decrease)/Increase in Cash	26		(117,471)		1,158,392

The notes on pages 10 to 25 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

1. Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared under the historical cost convention.

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

Fixed Assets

All fixed assets are initially recorded at cost.

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 buildings	-	2.5% straight line
Plant and machinery	-	15% straight line/25% reducing balance
Fixtures and fittings	-	15% reducing balance

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 2002

1. Accounting Policies *(continued)*

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance Lease Agreements

Where the company 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 in accordance with the above depreciation policies. 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 on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

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.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

1. Accounting Policies *(continued)*

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.

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:

	2002 £	2001 £
United Kingdom	21,687,939	24,046,062
Europe	730,245	672,298
Other	1,652	653
	<u>22,419,837</u>	<u>24,719,013</u>

3. Operating (Loss)/Profit

Operating (loss)/profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation of owned fixed assets	1,264,636	1,095,043
Depreciation of assets held under hire purchase and finance lease agreements	8,293	10,028
Loss on disposal of fixed assets	12,497	22,143
Auditors' remuneration		
- as auditors	15,263	14,911
Operating lease costs:		
Land and buildings	214,035	214,260
Profit/loss on Foreign Exchange	<u>(1,750)</u>	<u>(294)</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

4. Particulars of Employees

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

	2002	2001
	No	No
Number of production staff	87	106
Number of distribution staff	75	60
Number of administrative staff	21	24
	<u>183</u>	<u>190</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	2,584,635	2,497,444
Social security costs	210,680	217,988
Other pension costs	34,572	36,063
	<u>2,814,851</u>	<u>2,733,464</u>

5. Directors and Employees

Staff costs during the year were as follows:

	2002	2001
	£	£
Employees		
Wages and salaries	2,305,459	2,317,420
Social security costs	210,680	209,448
Other pension costs	19,536	18,031
	<u>2,535,675</u>	<u>2,544,899</u>

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

	2002	2001
	£	£
Directors		
Emoluments receivable	279,176	180,023
Value of company pension contributions to money purchase schemes	15,036	18,032
	<u>294,212</u>	<u>198,055</u>

Emoluments of highest paid director:

	2002	2001
	£	£
Total emoluments (excluding pension contributions):	<u>80,746</u>	<u>—</u>

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

	2002	2001
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

The average number of employees of the group during the year was 183 (2001: 190).

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

6. Interest Payable

	2002	2001
	£	£
Finance charges	816	1,538
Other similar charges payable	39,136	74,943
	<u>39,952</u>	<u>76,481</u>

7. Tax on (Loss)/Profit on Ordinary Activities

	2002	2001
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2001 - 30%)	(107,298)	326,060
(Over)/under provision in prior year	(29,783)	5,385
Total current tax	<u>(137,081)</u>	<u>331,445</u>
Deferred tax:		
Decrease in deferred tax provision (note 18)		
Capital allowances	(24,111)	(5,738)
Tax on (loss)/profit on ordinary activities	<u>(161,192)</u>	<u>325,707</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 £882,098 which is dealt with in the financial statements of the company.

9. Intangible Fixed Assets

Group	Goodwill
	£
Cost	
At 1 January 2002	(63,074)
Additions	12,500
At 31 December 2002	<u>(50,574)</u>
Amortisation	
At 1 January 2002	(8,410)
Charge for the year	(38)
At 31 December 2002	<u>(8,448)</u>
Net Book Value	
At 31 December 2002	<u>(42,126)</u>
At 31 December 2001	<u>(54,664)</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

10. Tangible Fixed Assets

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Pub House Refurbishments £	Total £
Cost						
At 1 Jan 2002	2,412,383	6,982,412	240,471	71,307	718,682	10,425,255
Additions	475,080	911,323	70,954	15,470	336,366	1,809,193
Disposals	—	(175,865)	—	(14,500)	—	(190,365)
Impairment	—	(156,655)	—	—	—	(156,655)
At 31 Dec 2002	2,887,463	7,561,215	311,425	72,277	1,055,048	11,887,428
Depreciation						
At 1 Jan 2002	265,267	4,866,155	119,769	29,462	300,821	5,581,474
Charge for the year	56,475	1,062,470	23,556	10,880	119,548	1,272,929
On disposals	—	(43,424)	—	(6,344)	—	(49,768)
At 31 Dec 2002	321,742	5,885,201	143,325	33,998	420,369	6,804,635
Net Book Value						
At 31 Dec 2002	2,565,721	1,676,014	168,100	38,279	634,679	5,082,793
At 31 Dec 2001	2,147,116	2,116,257	120,702	41,845	417,861	4,843,781

During the year the company carried out an impairment review of certain fixed assets. A write down has been made of £156,656 against a cider press and tanks as being a permanent diminution in value.

Hire Purchase and finance lease agreements

Included within the net book value of £5,082,793 is £42,379 (2001 - £50,672) relating to assets held under hire purchase agreements, and £Nil (2001 - £Nil) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £Nil (2001 - £Nil), and £8,293 (2001 - £10,028) in respect of assets held under finance lease agreements.

Capital commitments

	2002 £	2001 £
Contracted but not provided for in the consolidated financial statements	—	110,000

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

10. Tangible Fixed Assets *(continued)*

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost				
At 1 January 2002	2,502,943	6,239,509	131,714	8,874,166
Additions	112,580	499,765	18,539	630,884
Disposals	—	(175,865)	—	(175,865)
At 31 December 2002	2,615,523	6,563,409	150,253	9,329,185
Depreciation				
At 1 January 2002	375,444	4,586,809	85,042	5,047,295
Charge for the year	51,214	940,358	7,124	998,696
On disposals	—	(43,424)	—	(43,424)
At 31 December 2002	426,658	5,483,743	92,166	6,002,567
Net Book Value				
At 31 December 2002	2,188,865	1,079,666	58,087	3,326,618
At 31 December 2001	2,127,499	1,652,700	46,672	3,826,871
Capital commitments				
		2002 £		2001 £
Contracted but not provided for in the consolidated financial statements		—		110,000

11. Investments

Group	Other investments £
Cost	
At 1 January 2002 and 31 December 2002	250
Net Book Value	
At 31 December 2002	250
At 31 December 2001	250

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

11. Investments (continued)

At 31 December 2002 the undertakings in which the company held more than 20% of a class of the allotted equity share capital, excluding subsidiary and associated undertakings, 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 Orchard Cider Company	England	Ordinary shares	100%	Brewery Company
Roman Springs Water Company Limited	England	Ordinary shares	100%	Dormant
Highgate Brewery Limited	England	Ordinary shares	97%	Brewery Company

The market value of listed investments included within Other Investments above was £7,200 as at 31 December 2002 (2001 - £9,510).

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:

	2002 £	2001 £
Aggregate capital and reserves		
The Hereford Orchards Cider Company Limited	(156,969)	(47,450)
Roman Springs Pure Water Company Limited	—	2
Highgate Brewery Limited	<u>223,807</u>	<u>335,631</u>
Profit and (loss) for the year		
The Hereford Orchards Cider Company Limited	(204,807)	(28,484)
Roman Springs Pure Water Company Limited	—	—
Highgate Brewery Limited	<u>(82,465)</u>	<u>(65,073)</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

11. Investments (continued)

Company	Group companies	Associated undertakings	Total
	£	£	£
Cost			
At 1 January 2002	327,650	250	327,900
Disposals	(103,839)	—	(103,839)
At 31 December 2002	<u>223,811</u>	<u>250</u>	<u>224,061</u>
Net Book Value			
At 31 December 2002	<u>223,811</u>	<u>250</u>	<u>224,061</u>
At 31 December 2001	<u>327,646</u>	<u>250</u>	<u>327,900</u>

12. Stocks

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Raw materials	544,488	451,188	511,193	414,215
Work in progress	147,723	176,923	134,562	166,449
Finished goods	543,560	518,776	407,965	456,803
	<u>1,235,771</u>	<u>1,146,887</u>	<u>1,053,720</u>	<u>1,037,467</u>

13. Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	4,077,378	4,620,088	3,161,266	3,913,639
Corporation tax repayable	110,932	—	110,932	—
Other debtors	124,834	189,896	472,344	169,480
Prepayments and accrued income	294,680	154,507	227,679	125,524
	<u>4,607,824</u>	<u>4,964,491</u>	<u>3,972,221</u>	<u>4,208,643</u>

14. Investments

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Listed Investments	<u>20,707</u>	<u>20,707</u>	<u>20,707</u>	<u>20,707</u>

The market value of listed investments above was £7,200 as at 31 December 2002 (2001 - £9,510).

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

15. Creditors: Amounts Falling due Within One Year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	1,051,862	908,011	936,377	939,094
Trade creditors	2,750,350	2,176,474	1,402,695	1,326,594
Amounts owed to undertakings in which the company has a participating interest	—	—	171,679	171,679
Hire Purchase and finance lease agreements	4,397	7,630	—	—
Other creditors	713,894	1,076,774	327,839	654,724
Accruals and deferred income	767,628	519,568	653,168	417,681
	<u>5,288,131</u>	<u>4,688,457</u>	<u>3,491,758</u>	<u>3,509,772</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	1,051,862	908,011	936,377	939,093
Secured debt < 1 Yr: Hire purchase agreements	4,397	7,630	—	—
	<u>1,117,971</u>	<u>1,084,702</u>	<u>936,377</u>	<u>939,093</u>

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

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

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	381,168	106,033	—	—
Accruals and deferred income	124,500	213,669	—	—
	<u>505,668</u>	<u>319,702</u>	<u>—</u>	<u>—</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	381,168	106,033	—	—

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

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Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

17. Commitments under Hire Purchase and Finance Lease Agreements

Future commitments under hire purchase and finance lease agreements are as follows:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Amounts payable within 1 year	<u>4,397</u>	<u>7,630</u>	-	-
	<u>4,397</u>	<u>7,630</u>	-	-

18. Deferred Taxation

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

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Provision brought forward	<u>42,043</u>	<u>47,781</u>	<u>42,043</u>	<u>47,781</u>
Decrease in provision	<u>(24,111)</u>	<u>(5,738)</u>	<u>(35,298)</u>	<u>(5,738)</u>
Provision carried forward	<u>17,932</u>	<u>42,043</u>	<u>6,745</u>	<u>42,043</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2002		2001	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>17,932</u>	<u>-</u>	<u>42,043</u>	<u>51,117</u>

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>17,932</u>	<u>42,043</u>	<u>6,745</u>	<u>42,043</u>

19. Government Grants

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Received and receivable:				
At 1 January 2002	<u>(168,800)</u>	<u>(168,800)</u>	<u>(168,800)</u>	<u>(168,800)</u>
At 31 December 2002	<u>(168,800)</u>	<u>(168,800)</u>	<u>(168,800)</u>	<u>(168,800)</u>
Amortisation:				
At 1 January 2002	<u>10,550</u>	<u>5,275</u>	<u>10,550</u>	<u>5,275</u>
Credit to profit and loss account	<u>5,275</u>	<u>5,275</u>	<u>5,275</u>	<u>5,275</u>
At 31 December 2002	<u>15,825</u>	<u>10,550</u>	<u>15,825</u>	<u>10,550</u>
Net balance at 31 December 2002	<u>152,975</u>	<u>158,250</u>	<u>152,975</u>	<u>158,250</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

20. Commitments under Operating Leases

At 31 December 2002 the group had annual commitments under non-cancellable operating leases as set out below.

Group	<i>Land and buildings</i>	
	2002 £	2001 £
Operating leases which expire:		
Within 2 to 5 years	-	<u>20,000</u>

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as set out below.

Company	<i>Land and buildings</i>	
	2002 £	2001 £
Operating leases which expire:		
Within 2 to 5 years	-	<u>20,000</u>

21. Related Party Transactions

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

Lease rental charges in the sum of £21,527 (2001 - £19,870) were paid by Sandon Distribution in the year. M T Hancocks is a partner in this business. At 31st December 2002 an amount of £nil (2001 - £nil) was due from Sandon Distribution.

H D Ellis part owns premises which are occupied by the company. The rent charged in these accounts was £20,000 (2001 - £nil). There is a formal lease in respect of the property. At 31st December 2002 an amount of £nil was due in respect of this rent (2001 - £49,000).

22. Share Capital

Authorised share capital:

	2002 £	2001 £
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:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>322,081</u>	<u>322,081</u>	<u>322,081</u>	<u>322,081</u>

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Year Ended 31 December 2002

23. Reserves

Group	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	20,000	181,395	5,186,136
Loss for the year	—	—	(780,550)
Balance carried forward	<u>20,000</u>	<u>181,395</u>	<u>4,405,586</u>

Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	20,000	181,395	5,360,111
Loss for the year	—	—	(882,098)
Balance carried forward	<u>20,000</u>	<u>181,395</u>	<u>4,478,013</u>

24. Reconciliation of Movements in Shareholders' Funds

	2002 £	2001 £
(Loss)/Profit for the financial year	(780,550)	412,315
Opening shareholders' equity funds	<u>5,709,612</u>	<u>5,297,297</u>
Closing shareholders' equity funds	<u>4,929,062</u>	<u>5,709,612</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

25. Reconciliation of Operating (Loss)/Profit to Net Cash Inflow From Operating Activities

	2002 £	2001 £
Operating (loss)/profit	(905,137)	812,706
Amortisation	(38)	(4,205)
Depreciation	1,272,929	1,105,071
Loss on disposal of fixed assets	12,497	22,143
Impairment of fixed assets	156,655	-
Amortisation of government grants	(5,275)	(5,275)
(Increase)/decrease in stocks	(88,884)	754,214
Decrease in debtors	467,599	131,242
Increase in creditors	653,435	91,781
Net cash inflow from operating activities	<u>1,563,781</u>	<u>2,907,677</u>

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

	2002 £	2001 £
(Decrease)/increase in cash in the period	(117,471)	1,158,392
Net cash (inflow) from bank loans	(307,675)	(113,526)
Cash outflow in respect of hire purchase and finance lease	3,233	22,089
Net cash outflow from/(inflow) from long-term accruals	<u>89,169</u>	<u>(58,326)</u>
	(332,744)	1,008,629
Change in net debt	(332,744)	1,008,629
Net debt at 1 January 2002	(1,206,411)	(2,215,040)
Net debt at 31 December 2002	<u>(1,539,155)</u>	<u>(1,206,411)</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2002

27. Analysis of Changes in Net Debt

	At 1 Jan 2002 £	Cash flows £	At 31 Dec 2002 £
Net cash:			
Cash in hand and at bank	8,225	(6,160)	2,065
Overdrafts	(896,011)	(111,311)	(1,007,322)
	<u>(887,786)</u>	<u>(117,471)</u>	<u>(1,005,257)</u>
Liquid resources:			
Current asset investments	<u>20,707</u>	<u>—</u>	<u>20,707</u>
Debt:			
Debt due within 1 year	(12,000)	(32,540)	(44,540)
Debt due after 1 year	(319,702)	(185,966)	(505,668)
Hire Purchase and finance lease agreements	<u>(7,630)</u>	<u>3,233</u>	<u>(4,397)</u>
	<u>(339,332)</u>	<u>(215,273)</u>	<u>(554,605)</u>
Net debt	<u>(1,206,411)</u>	<u>(332,744)</u>	<u>(1,539,155)</u>

28. 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 £15,036 (2001 - £18,032).