

COMPANY REGISTRATION NUMBER 1699439

**Aston Manor Brewery
Company Limited**

**Consolidated
Financial Statements**

**For the Year Ended
31 December 2005**



Aston Manor Brewery Company Limited

Consolidated Financial Statements

Year Ended 31 December 2005

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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
K R McGrath
M Stringer

Company Secretary

P D Ellis

Registered Office

173 Thimblemill Lane
Aston
Birmingham
B7 5HS

Auditor

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 2005

The directors have pleasure in presenting their report and the consolidated financial statements of the group for the year ended 31 December 2005.

Principal Activities and Business Review

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

Results and Dividends

The profit for the year, after taxation and minority interests, amounted to £206,274. Particulars of dividends paid are detailed in note 10 to the consolidated financial statements.

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 2005	At 1 January 2005 or later date of appointment
H D Ellis	107,360	105,469
P D Ellis	9,341	9,176
P G Collings	-	-
K R McGrath	418	411
M Stringer	-	-

K R McGrath was appointed as a director on 20 October 2005.

M Stringer was appointed as a director on 20 October 2005.

Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 12 to 14, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

Aston Manor Brewery Company Limited

The Directors' Report *(continued)*

Year Ended 31 December 2005

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.

Post Balance Sheet Events

On 28 April 2006, the company acquired 100% of the issued share capital of Knights Cider Limited, a company registered in England, for the sum of £50,550. On the same date, the company loaned £199,450 to Knights Cider Limited for the purpose of part-repayment of Mr & Mrs K Knight's loan account to the company. The balance of this loan account, amounting to £350,000, is to be repaid in five yearly instalments of £70,000, commencing 1 May 2007. The loan is interest free.

On 2 October 2006, the company sold its holding of 6,000 £0.05 ordinary shares in Aston Villa plc for the sum of £32,820.

Auditor

A resolution to re-appoint Haines Watts as auditor 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 22.10.06...

Aston Manor Brewery Company Limited

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

Year Ended 31 December 2005

We have audited the consolidated financial statements of Aston Manor Brewery Company Limited for the year ended 31 December 2005 on pages 6 to 25 which have been prepared on the basis of the accounting policies set out on pages 12 to 14.

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 auditor's 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 Auditor

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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 and 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 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 Auditor's Report to the Shareholders of Aston Manor Brewery Company Limited

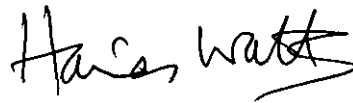
Year Ended 31 December 2005

Opinion

In our opinion:

the consolidated financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs and of the group as at 31 December 2005 and of the profit of the group for the year then ended; and

the consolidated financial statements 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

30 October 2006

Aston Manor Brewery Company Limited

Profit and Loss Account

Year Ended 31 December 2005

	Note	2005 £	2004 £
Group Turnover	2	29,099,034	22,226,091
Cost of sales		24,582,209	19,011,887
Gross Profit		4,516,825	3,214,204
Distribution costs		2,028,787	1,666,798
Administrative expenses		2,288,404	1,903,673
Other operating income	3	(312,293)	(291,344)
Operating Profit/(Loss)	4	511,927	(64,923)
Interest receivable and similar income		3,472	394
Interest payable and similar charges	7	(124,512)	(74,107)
Profit/(Loss) on Ordinary Activities Before Taxation		390,887	(138,636)
Tax on profit/(loss) on ordinary activities	8	188,934	(67,305)
Profit/(Loss) on Ordinary Activities after Taxation		201,953	(71,331)
Minority interests		(4,321)	753
Profit/(Loss) Attributable to Members of the Parent Company	9	206,274	(72,084)
Retained Profit/(Loss) for the Financial Year		206,274	(72,084)

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 12 to 25 form part of these consolidated financial statements.

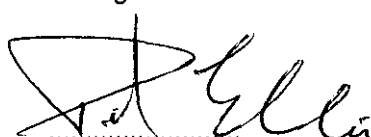
Aston Manor Brewery Company Limited

Group Balance Sheet

31 December 2005

	Note	2005 £	2004 £
Fixed Assets			
Intangible assets	11	32,238	(42,051)
Tangible assets	12	5,823,397	6,008,902
Investments	13	20,961	20,961
		<u>5,876,596</u>	<u>5,987,812</u>
Current Assets			
Stocks	14	1,222,803	1,121,299
Debtors	15	5,549,641	4,469,568
Cash in hand		2,266	1,320
		<u>6,774,710</u>	<u>5,592,187</u>
Creditors: Amounts Falling due Within One Year	16	<u>9,133,939</u>	<u>5,663,923</u>
Net Current (Liabilities)/Assets		(2,359,229)	(71,736)
Total Assets Less Current Liabilities		3,517,367	5,916,076
Creditors: Amounts Falling due after More than One Year	17	<u>270,844</u>	<u>336,701</u>
		3,246,523	5,579,375
Provisions for Liabilities			
Deferred taxation	18	291,415	101,426
Government grants	20	137,150	142,425
		<u>2,817,958</u>	<u>5,335,524</u>
Minority Interests		(5,006)	(9,326)
		<u>2,812,952</u>	<u>5,326,198</u>
Capital and Reserves			
Called-up equity share capital	23	183,222	322,081
Share premium account	24	20,000	20,000
Revaluation reserve	24	585,904	760,398
Other reserves	24	320,254	181,395
Profit and loss account	24	1,703,572	4,042,324
Shareholders' Funds	25	<u>2,812,952</u>	<u>5,326,198</u>

These consolidated financial statements were approved by the directors on the 23.12.06 and are signed on their behalf by:


P D Ellis

The notes on pages 12 to 25 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Balance Sheet

31 December 2005

	Note	2005 £	£	2004 £	£
Fixed Assets					
Tangible assets	12		4,622,030		4,708,834
Investments	13		587,198		512,198
			<u>5,209,228</u>		<u>5,221,032</u>
Current Assets					
Stocks	14	1,142,732		976,624	
Debtors	15	4,826,351		3,866,080	
Cash at bank and in hand		13,258		124,060	
		<u>5,982,341</u>		<u>4,966,764</u>	
Creditors: Amounts Falling due Within One Year	16	7,739,561		4,538,071	
Net Current (Liabilities)/Assets			<u>(1,757,220)</u>		<u>428,693</u>
Total Assets Less Current Liabilities			<u>3,452,008</u>		<u>5,649,725</u>
Provisions for Liabilities					
Deferred taxation	18		291,415		126,975
Government grants	20		137,150		142,425
			<u>3,023,443</u>		<u>5,380,325</u>
Capital and Reserves					
Called-up equity share capital	23		183,222		322,081
Share premium account	24		20,000		20,000
Revaluation reserve	24		610,348		784,842
Other reserves	24		320,254		181,395
Profit and loss account	24		1,889,619		4,072,007
Shareholders' Funds			<u>3,023,443</u>		<u>5,380,325</u>

These consolidated financial statements were approved by the directors on the 23.12.05 and are signed on their behalf by:



P D Ellis

The notes on pages 12 to 25 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Group Cash Flow

Year Ended 31 December 2005

	2005		2004	
	£	£	£	£
Net Cash Inflow From Operating Activities		1,706,209		619,492
Returns on Investments and Servicing of Finance				
Interest received	3,472		394	
Interest paid	(124,512)		(73,880)	
Interest element of hire purchase and finance lease	—		(227)	
Net Cash Outflow From Returns on Investments and Servicing of Finance		(121,040)		(73,713)
Taxation		1,725		(62,565)
Capital Expenditure				
Payments to acquire intangible fixed assets	(87,000)		—	
Payments to acquire tangible fixed assets	(422,045)		(655,359)	
Receipts from sale of fixed assets	65,503		19,096	
Net Cash Outflow From Capital Expenditure		(443,542)		(636,263)
Equity Dividends Paid		(219,520)		—
Cash Inflow/(Outflow) Before Financing		923,832		(153,049)
Financing				
Purchase of own shares	(2,500,000)		—	
Repayment of bank loans	(38,357)		(36,527)	
Capital element of hire purchase and finance lease	—		(1,163)	
Net outflow from other long-term creditors	(27,500)		(30,000)	
Net Cash Outflow From Financing		(2,565,857)		(67,690)
Decrease in Cash		(1,642,025)		(220,739)

The notes on pages 12 to 25 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Group Cash Flow (continued)

Year Ended 31 December 2005

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

	2005 £	2004 £
Operating profit/(loss)	511,927	(64,624)
Amortisation	12,711	(37)
Depreciation	545,600	511,046
(Profit)/Loss on disposal of fixed assets	(3,554)	3,996
Amortisation of government grants	(5,275)	(5,275)
Increase in stocks	(101,504)	(111,341)
(Increase)/decrease in debtors	(1,080,743)	114,445
Increase in creditors	1,827,047	171,282
Net cash inflow from operating activities	1,706,209	619,492

Reconciliation of Net Cash Flow to Movement in Net Debt

	2005 £	2004 £
Decrease in cash in the period	(1,642,025)	(220,739)
Net cash outflow from bank loans	38,357	36,527
Cash outflow in respect of hire purchase and finance lease	—	1,163
Net cash outflow from other long-term creditors	27,500	30,000
	(1,576,168)	(153,049)
Change in net debt	(1,576,168)	(153,049)
Net debt at 1 January 2005	(2,240,899)	(2,087,850)
Net debt at 31 December 2005	(3,817,067)	(2,240,899)

The notes on pages 12 to 25 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Group Cash Flow *(continued)*

Year Ended 31 December 2005

Analysis of Changes in Net Debt

	At 1 Jan 2005 £	Cash flows £	At 31 Dec 2005 £
Net cash:			
Cash in hand and at bank	1,320	946	2,266
Overdrafts	(1,861,018)	(1,642,971)	(3,503,989)
	<u>(1,859,698)</u>	<u>(1,642,025)</u>	<u>(3,501,723)</u>
Debt:			
Debt due within 1 year	(44,500)	–	(44,500)
Debt due after 1 year	(336,701)	65,857	(270,844)
	<u>(381,201)</u>	<u>65,857</u>	<u>(315,344)</u>
Net debt	<u><u>(2,240,899)</u></u>	<u><u>(1,576,168)</u></u>	<u><u>(3,817,067)</u></u>

The notes on pages 12 to 25 form part of these consolidated financial statements.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

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 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 straight line
Public House acquisitions	- 3 years straight line

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 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

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

1. Accounting Policies *(continued)*

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.

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.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

1. Accounting Policies *(continued)*

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

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.

2. Turnover

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

An analysis of turnover is given below:

	2005 £	2004 £
United Kingdom	28,088,497	21,380,172
Overseas	1,010,537	845,919
	<u>29,099,034</u>	<u>22,226,091</u>

3. Other Operating Income

	2005 £	2004 £
Rent receivable	253,365	237,951
Commission receivable	9,693	—
Other operating income	49,235	53,393
	<u>312,293</u>	<u>291,344</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

4. Operating Profit/(Loss)

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

	2005 £	2004 £
Amortisation of government grants re fixed assets	(5,275)	(5,275)
Amortisation of goodwill	16,915	4,167
Depreciation of owned fixed assets	545,600	511,347
(Profit)/Loss on disposal of fixed assets	(2,135)	3,996
Auditor's remuneration		
- as auditor	18,350	16,852
Operating lease costs:		
Land and buildings	246,600	221,393
Net loss/(profit) on foreign currency translation	1,330	(6,705)

5. Particulars of Employees

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

	2005 No	2004 No
Number of production staff	77	74
Number of distribution staff	46	44
Number of administrative staff	18	21
	<u>141</u>	<u>139</u>

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	2,670,501	2,328,456
Social security costs	273,686	229,815
Other pension costs	16,970	11,948
	<u>2,961,157</u>	<u>2,570,219</u>

6. Directors' Emoluments

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

	2005 £	2004 £
Emoluments receivable	302,835	288,588
Value of company pension contributions to money purchase schemes	16,970	10,044
	<u>319,805</u>	<u>298,632</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

6. Directors' Emoluments *(continued)*

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

	2005 No	2004 No
Money purchase schemes	<u>2</u>	<u>3</u>

7. Interest Payable and Similar Charges

	2005 £	2004 £
Finance charges	–	227
Other similar charges payable	<u>124,512</u>	<u>73,880</u>
	<u>124,512</u>	<u>74,107</u>

8. Taxation on Ordinary Activities

	2005 £	2004 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2004 - -%)	11,608	(53,231)
(Over)/under provision in prior year	<u>(12,663)</u>	<u>–</u>
Total current tax	<u>(1,055)</u>	<u>(53,231)</u>
Deferred tax:		
Origination and reversal of timing differences	189,989	(14,074)
Tax on profit/(loss) on ordinary activities	<u>188,934</u>	<u>(67,305)</u>

9. Profit 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 profit dealt with in the accounts of the parent company was £362,638 (2004 – loss of £98,833).

10. Dividends

Dividends on equity shares

	2005 £	2004 £
Paid during the year:		
Ordinary shares	<u>219,520</u>	<u>–</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

11. Intangible Fixed Assets

Group	Goodwill £
Cost	
At 1 January 2005	(50,574)
Additions	87,000
At 31 December 2005	36,426
Amortisation	
At 1 January 2005	(8,523)
Charge for the year	12,711
At 31 December 2005	4,188
Net Book Value	
At 31 December 2005	32,238
At 31 December 2004	(42,051)

12. Tangible Fixed Assets

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Pub House Refurbish- ments £	Total £
Cost or Valuation						
At 1 Jan 2005	3,082,539	3,125,767	202,405	28,872	772,541	7,212,124
Additions	—	378,115	20,232	—	23,698	422,045
Disposals	—	(52,500)	—	(4,300)	(66,379)	(123,179)
At 31 Dec 2005	3,082,539	3,451,382	222,637	24,572	729,860	7,510,990
Depreciation						
At 1 Jan 2005	155,959	642,307	62,884	10,181	331,892	1,203,223
Charge for the year	72,847	381,314	20,781	4,069	66,589	545,600
On disposals	—	(11,954)	—	(1,881)	(47,395)	(61,230)
At 31 Dec 2005	228,806	1,011,667	83,665	12,369	351,086	1,687,593
Net Book Value						
At 31 Dec 2005	2,853,733	2,439,715	138,972	12,203	378,774	5,823,397
At 31 Dec 2004	2,926,580	2,483,460	139,521	18,691	440,649	6,008,901

On 22 October 2003 the group had certain fixed assets 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 2005

12. Tangible Fixed Assets *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2005 £	2004 £
Historical cost	10,602,520	10,602,520
Depreciation:		
At 1 Jan 2005	7,725,125	7,414,513
Charge for year	180,836	310,612
At 31 Dec 2005	<u>7,905,961</u>	<u>7,725,125</u>
Net historical cost value:		
At 31 Dec 2005	<u>2,696,559</u>	<u>2,877,395</u>
At 1 Jan 2005	<u>2,877,395</u>	<u>3,188,007</u>

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost or Valuation				
At 1 January 2005	2,690,795	2,672,029	33,618	5,396,442
Additions	—	349,614	7,329	356,943
Disposals	—	(52,500)	—	(52,500)
At 31 December 2005	<u>2,690,795</u>	<u>2,969,143</u>	<u>40,947</u>	<u>5,700,885</u>
Depreciation				
At 1 January 2005	130,131	551,248	6,229	687,608
Charge for the year	63,631	335,733	3,837	403,201
On disposals	—	(11,954)	—	(11,954)
At 31 December 2005	<u>193,762</u>	<u>875,027</u>	<u>10,066</u>	<u>1,078,855</u>
Net Book Value				
At 31 December 2005	<u>2,497,033</u>	<u>2,094,116</u>	<u>30,881</u>	<u>4,622,030</u>
At 31 December 2004	<u>2,560,664</u>	<u>2,120,781</u>	<u>27,389</u>	<u>4,708,834</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

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12. Tangible Fixed Assets *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2005 £	2004 £
Historical cost	9,490,782	9,490,782
Depreciation:		
At 1 January 2005	7,111,842	6,865,114
Charge for year	116,952	246,728
At 31 December 2005	<u>7,228,794</u>	<u>7,111,842</u>
Net historical cost value:		
At 31 December 2005	<u>2,261,988</u>	<u>2,378,940</u>
At 1 January 2005	<u>2,378,940</u>	<u>2,625,668</u>

Group and Company

Capital commitments

	2005 £	2004 £
Contracted but not provided for in the consolidated financial statements	<u>150,000</u>	-

13. Investments

Group	Listed Investments £
Cost	
At 1 January 2005 and 31 December 2005	<u>20,961</u>
Net Book Value	
At 31 December 2005	<u>20,961</u>
At 31 December 2004	<u>20,961</u>

The market value of listed investments above was £27,450 as at 31 December 2005 (2004 - £20,100).

Aston Manor Brewery Company Limited

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13. Investments (continued)

Company	Group companies £	Listed Investments £	Total £
Cost			
At 1 January 2005 and 31 December 2005	<u>360,003</u>	<u>20,961</u>	<u>380,964</u>
Amounts Written Off			
At 1 January 2005 and 31 December 2005	<u>(323,766)</u>	<u>-</u>	<u>(323,766)</u>
Loans			
At 1 January 2005	<u>455,000</u>	<u>-</u>	<u>455,000</u>
Advanced in year	<u>75,000</u>	<u>-</u>	<u>75,000</u>
At 31 December 2005	<u>530,000</u>	<u>-</u>	<u>530,000</u>
Net Book Value			
At 31 December 2005	<u>566,237</u>	<u>20,961</u>	<u>587,198</u>
At 31 December 2004	<u>491,237</u>	<u>20,961</u>	<u>512,198</u>

At 31 December 2005 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:				
Highgate Brewery Limited	England	Ordinary shares	97%	Brewery Company
The Roman Springs Pure Water Company Limited	England	Ordinary shares	100%	Brewery Company
The Hereford Orchards Cider Company Limited	England	Ordinary shares	100%	Dormant

Aston Manor Brewery Company Limited

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13. Investments *(continued)*

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:

	2005 £	2004 £
Aggregate capital and reserves		
Highgate Brewery Limited	(95,917)	64,108
The Roman Springs Pure Water Company Limited	(371,769)	(371,109)
The Hereford Orchards Cider Company Limited	<u>2</u>	<u>2</u>
Profit and (loss) for the year		
Highgate Brewery Limited	(160,025)	27,873
The Roman Springs Pure Water Company Limited	(660)	(370)
The Hereford Orchards Cider Company Limited	<u>-</u>	<u>-</u>

14. Stocks

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Raw materials	696,321	521,048	648,683	474,244
Work in progress	234,661	171,401	223,360	160,699
Finished goods	291,821	428,850	270,689	341,681
	<u>1,222,803</u>	<u>1,121,299</u>	<u>1,142,732</u>	<u>976,624</u>

15. Debtors

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	5,068,524	4,048,592	4,449,322	3,556,173
Corporation tax repayable	39,830	40,500	39,830	40,500
Other debtors	208,706	153,770	200,086	133,204
Prepayments and accrued income	232,581	226,706	137,113	136,203
	<u>5,549,641</u>	<u>4,469,568</u>	<u>4,826,351</u>	<u>3,866,080</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

16. Creditors: Amounts Falling due Within One Year

	<i>Group</i>		<i>Company</i>	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	3,548,489	1,905,518	3,555,726	1,714,861
Trade creditors	3,751,686	2,182,456	2,635,971	1,560,429
Amounts owed to group undertakings	—	—	171,679	171,679
Other creditors	1,059,963	707,217	629,635	347,734
Accruals and deferred income	773,801	868,732	746,550	743,368
	<u>9,133,939</u>	<u>5,663,923</u>	<u>7,739,561</u>	<u>4,538,071</u>

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

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

	<i>Group</i>		<i>Company</i>	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	270,844	309,201	—	—
Other creditors	—	27,500	—	—
	<u>270,844</u>	<u>336,701</u>	<u>—</u>	<u>—</u>

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

18. Deferred Taxation

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

	<i>Group</i>		<i>Company</i>	
	2005	2004	2005	2004
	£	£	£	£
Provision brought forward	101,426	115,500	126,975	124,223
Increase/(Decrease) in provision	189,989	(14,074)	164,440	2,752
Provision carried forward	<u>291,415</u>	<u>101,426</u>	<u>291,415</u>	<u>126,975</u>

	<i>Group</i>		<i>Company</i>	
	2005	2004	2005	2004
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>291,415</u>	<u>101,426</u>	<u>291,415</u>	<u>126,975</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

19. Contingencies

During the year, the parent company and its subsidiary undertaking, Highgate Brewery Limited, changed the structure of its funding as follows:

The group took on new debt of £4million in order to finance the redemption of shares in the parent company and the repayment of the overdraft facilities of both the parent company and Highgate Brewery Limited. Of this new debt, £300,000 was assigned to Highgate Brewery Limited.

The overdraft facilities have been replaced by invoice discounting and loan facilities with Lloyds TSB Commercial Finance Limited. The balance due to Lloyds TSB Commercial Finance Limited under these facilities as at 31 December 2005 was £3,127,233 and is included within creditors.

The group's debt is secured by a fixed and floating charge over all of its assets.

20. Government Grants

	<i>Group</i>		<i>Company</i>	
	2005	2004	2005	2004
	£	£	£	£
Received and receivable:				
At 1 January 2005	(163,525)	(168,800)	(163,525)	(168,800)
At 31 December 2005	(163,525)	(168,800)	(163,525)	(168,800)
Amortisation:				
At 1 January 2005	26,375	21,100	26,375	21,100
Credit to profit and loss account	—	5,275	—	5,275
At 31 December 2005	26,375	26,375	26,375	26,375
Net balance at 31 December 2005	137,150	142,425	137,150	142,425

21. Transactions With the Directors

H D Ellis part-owns premises which are occupied by the company. The rent charged to the company in the year was £10,000 (2004 - £20,000). At 31 December 2005 an amount of £10,000 was outstanding in respect of this rent (2004 - £20,000).

22. Related Party Transactions

Aston Manor Brewery Company Limited is the parent company of the group. Following the share buy back on 27 May 2005, H D Ellis is now the group's ultimate controlling party by virtue of his majority shareholding in the parent company.

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

23. Share Capital

Authorised share capital:

	2005 £	2004 £
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:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>183,222</u>	<u>183,222</u>	<u>322,081</u>	<u>322,081</u>

On 27 May 2005, under the terms of a court order given on 12 May 2005, the company purchased 138,859 of its own £1 ordinary shares, from shareholders, for a total consideration of £2,500,000. The price was paid out of the company's distributable reserves.

24. Reserves

Group	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	20,000	760,398	181,395	4,042,324
Retained profit for the year	—	—	—	206,274
Equity dividends paid	—	—	—	(219,520)
Purchase of own shares (nominal value)	—	—	138,859	—
Purchase of own shares (consideration)	—	—	—	(2,500,000)
Transfer to/from revaluation reserve	—	(174,494)	—	174,494
Balance carried forward	<u>20,000</u>	<u>585,904</u>	<u>320,254</u>	<u>1,703,572</u>

Company	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	20,000	784,842	181,395	4,072,007
Retained profit for the year	—	—	—	362,638
Equity dividends paid	—	—	—	(219,520)
Purchase of own shares (nominal value)	—	—	138,859	—
Purchase of own shares (consideration)	—	—	—	(2,500,000)
Transfer to/from revaluation reserve	—	(174,494)	—	174,494
Balance carried forward	<u>20,000</u>	<u>610,348</u>	<u>320,254</u>	<u>1,889,619</u>

Aston Manor Brewery Company Limited

Notes to the Consolidated Financial Statements

Year Ended 31 December 2005

25. Reconciliation of Movements in Shareholders' Funds

	2005	2004
	£	£
Profit/(Loss) for the financial year	206,274	(72,084)
Less purchase of own shares	(2,500,000)	—
	(2,293,726)	(72,084)
Equity dividends paid (FRS 25)	(219,520)	—
	(2,513,246)	(72,084)
Net reduction to shareholders' funds	(2,513,246)	(72,084)
Opening shareholders' funds	5,326,197	5,398,281
Closing shareholders' funds	2,812,951	5,326,197

26. Post Balance Sheet Events

On 28 April 2006, the company acquired 100% of the issued share capital of Knights Cider Limited, a company registered in England, for the sum of £50,550. On the same date, the company loaned £199,450 to Knights Cider Limited for the purpose of part-repayment of Mr & Mrs K Knight's loan account to the company. The balance of this loan account, amounting to £350,000, is to be repaid in five yearly instalments of £70,000, commencing 1 May 2007. The loan is interest free.

On 2 October 2006, the company sold its holding of 6,000 £0.05 ordinary shares in Aston Villa plc for the sum of £32,820.