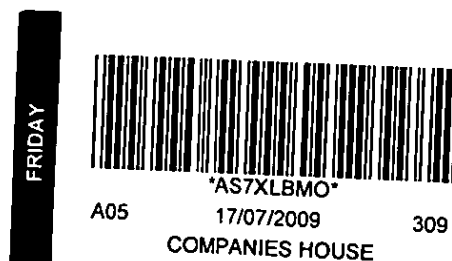


Aston Manor Brewery Company Limited
Financial Statements
For the Year Ended
31 December 2008



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

Aston Manor Brewery Company Limited

Financial Statements

Year Ended 31 December 2008

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Aston Manor Brewery Company Limited

Officers and Professional Advisers

The Board of Directors

H D Ellis
P D Ellis
K R McGrath
M Stringer
G Asquith

Company Secretary

P D Ellis

Registered Office

173 Thimblemill Lane
Aston
Birmingham
B7 5HS

Auditor

HW
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 3SF

Aston Manor Brewery Company Limited

The Directors' Report

Year Ended 31 December 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

Principal Activity and Business Review

The company's principal activity continued to be that of the production of beers, ciders and alcoholic beverages.

The results for the year and the financial position of the company are as shown in the financial statements on pages 6 to 22.

Turnover growth of 21% to £42.9M was achieved in the year to 31 December 2008 which exceeded the 15% growth in the whole of the UK cider market. The company has also increased its advertising and marketing campaigns which is having a positive effect on sales.

Gross profit margins were also improved, again due to the buoyancy of the UK cider market, but also as a result of continued investment in the company's production facilities. Tight control of distribution costs and administrative expenses has enabled the company to translate its increased turnover and gross margin into a significant increase in operating profit, reported at £2.2M for the year compared to £1.5M in the previous year.

The directors are satisfied with the results for the year and are confident in the company's future performance.

Results and Dividends

The profit for the year, after taxation, amounted to £1,473,365. Particulars of dividends paid are detailed in note 13 to the financial statements.

Financial Risk Management Objectives and Policies

The risks facing the company are assessed on an ongoing basis. The directors evaluate the likelihood and potential impact of each risk and ensure appropriate action is taken to mitigate it.

A number of key risks such as credit management, exposure to foreign currency exchange rates, liquidity, and health and safety and regulatory compliance come under the direct control of the directors.

Directors

The directors who served the company during the year were as follows:

H D Ellis
P D Ellis
K R McGrath
M Stringer
G Asquith

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

Aston Manor Brewery Company Limited

The Directors' Report *(continued)*

Year Ended 31 December 2008

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

HW are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
173 Thimblemill Lane
Aston
Birmingham
B7 5HS

Signed on behalf of the directors



P D Ellis
Director and Company Secretary

Approved by the directors on 23 June 2009

Aston Manor Brewery Company Limited

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

Year Ended 31 December 2008

We have audited the financial statements of Aston Manor Brewery Company Limited for the year ended 31 December 2008 on pages 6 to 22, which have been prepared on the basis of 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Aston Manor Brewery Company Limited

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

Year Ended 31 December 2008

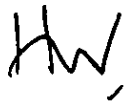
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

8 July 2009


HW
Chartered Accountants
& Registered Auditors

Aston Manor Brewery Company Limited

Profit and Loss Account

Year Ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	42,948,728	35,397,762
Cost of sales		(36,593,413)	(30,553,640)
Gross Profit		6,355,315	4,844,122
Distribution costs		(2,434,684)	(2,080,248)
Administrative expenses		(1,705,731)	(1,239,414)
Operating Profit	3	2,214,900	1,524,460
Profit on disposal of fixed assets	6	—	211,875
Loss on disposal of investments in subsidiary undertakings	7	—	(172,634)
Amounts written off intra-group loans	8	—	134,007
		2,214,900	1,697,708
Interest receivable and similar income	9	13,123	13,389
Amounts written off investments	10	—	(50,548)
Interest payable and similar charges	11	(107,489)	(106,420)
Profit on Ordinary Activities Before Taxation		2,120,534	1,554,129
Tax on profit on ordinary activities	12	(647,169)	(321,024)
Profit for the Financial Year		1,473,365	1,233,105

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

The notes on pages 11 to 22 form part of these financial statements.

Aston Manor Brewery Company Limited

Statement of Total Recognised Gains and Losses

Year Ended 31 December 2008

	2008 £	2007 £
Profit for the financial year attributable to the shareholders	1,473,365	1,233,105
Unrealised profit on revaluation of tangible fixed assets:		
Freehold Property	—	446,199
Plant & Machinery	—	1,150,609
Fixtures & Fittings	—	(5,337)
	<hr/>	<hr/>
Total gains and losses recognised since the last annual report	1,473,365	2,824,576

The notes on pages 11 to 22 form part of these financial statements.

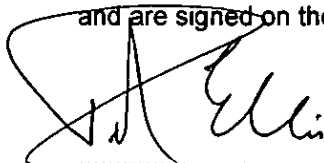
Aston Manor Brewery Company Limited

Balance Sheet

31 December 2008

	Note	2008 £	2007 £
Fixed Assets			
Intangible assets	14	22,501	37,501
Tangible assets	15	7,251,957	6,810,000
Investments	16	254	254
		<u>7,274,712</u>	<u>6,847,755</u>
Current Assets			
Stocks	17	1,790,881	1,962,946
Debtors	18	8,500,618	5,930,343
Cash in hand		239	-
		<u>10,291,738</u>	<u>7,893,289</u>
Creditors: Amounts Falling due Within One Year	19	<u>10,055,566</u>	<u>8,441,732</u>
Net Current Assets/(Liabilities)		<u>236,172</u>	<u>(548,443)</u>
Total Assets Less Current Liabilities		<u>7,510,884</u>	<u>6,299,312</u>
Creditors: Amounts Falling due after More than One Year	20	161,007	16,096
Provisions for Liabilities			
Deferred taxation	23	397,728	299,157
Government grants	24	121,325	126,600
		<u>6,830,824</u>	<u>5,857,459</u>
Capital and Reserves			
Called-up equity share capital	28	183,222	183,222
Share premium account	29	20,000	20,000
Revaluation reserve	30	2,242,564	2,242,564
Other reserves	31	320,254	320,254
Profit and loss account	32	4,064,784	3,091,419
Shareholders' Funds	33	<u>6,830,824</u>	<u>5,857,459</u>

These financial statements were approved by the directors and authorised for issue on 23 June 2009, and are signed on their behalf by:


P D Ellis

6th July 2009

The notes on pages 11 to 22 form part of these financial statements.

Aston Manor Brewery Company Limited

Cash Flow Statement

Year Ended 31 December 2008

	2008		2007	
	£	£	£	£
Net Cash Inflow from Operating Activities		1,142,889		2,384,841
Returns on Investments and Servicing of Finance				
Interest received	13,123		13,389	
Interest paid	(104,293)		(102,626)	
Interest element of hire purchase	(3,196)		(3,794)	
Net Cash Outflow from Returns on Investments and Servicing of Finance		(94,366)		(93,031)
Taxation		(228,252)		(125,485)
Capital Expenditure and Financial Investment				
Payments to acquire tangible fixed assets	(1,154,086)		(939,857)	
Receipts from sale of fixed assets	69,500		727,045	
Loans to group undertakings	—		(69,109)	
Repayment of loans by group undertakings	—		640,415	
Net Cash (Outflow)/Inflow for Capital Expenditure and Financial Investment		(1,084,586)		358,494
Acquisitions and Disposals				
Disposal of shares in group undertakings	—		1	
Net Cash Inflow from Acquisitions and Disposals		—		1
Equity Dividends Paid		(500,000)		(250,000)
Cash (Outflow)/Inflow Before Financing		(764,315)		2,274,820
Financing				
(Repayment of)/increase in bank loans	(13,515)		13,515	
Capital element of hire purchase	26,797		(17,099)	
Net inflow from other long-term creditors	134,079		—	
Net Cash Inflow/(Outflow) from Financing		147,361		(3,584)
(Decrease)/Increase in Cash		(616,954)		2,271,236

The notes on pages 11 to 22 form part of these financial statements.

Aston Manor Brewery Company Limited

Cash Flow Statement (continued)

Year Ended 31 December 2008

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2008 £	2007 £
Operating profit	2,214,900	1,524,460
Amortisation	15,000	—
Depreciation	626,983	582,948
Loss on disposal of fixed assets	15,646	2,579
Amortisation of government grants	(5,275)	(5,275)
Decrease/(increase) in stocks	172,065	(739,181)
(Increase)/decrease in debtors	(2,570,275)	664,972
Increase in creditors	673,845	356,732
Net amount written off intra-group loans	—	(2,393)
Net cash inflow from operating activities	<u>1,142,889</u>	<u>2,384,842</u>

Reconciliation of Net Cash Flow to Movement in Net Debt

	2008 £	2007 £
(Decrease)/increase in cash in the period	(616,954)	2,271,236
Net cash outflow from/(inflow) from bank loans	13,515	(13,515)
Cash outflow in respect of hire purchase	(26,797)	17,099
Net cash (inflow) from other long-term creditors	<u>(134,079)</u>	<u>—</u>
	(764,315)	2,274,820
Change in net debt	(764,315)	2,274,820
Net debt at 1 January 2008	(2,522,249)	(4,797,069)
Net debt at 31 December 2008	<u>(3,286,564)</u>	<u>(2,522,249)</u>

Analysis of Changes in Net Debt

	At 1 Jan 2008 £	Cash flows £	At 31 Dec 2008 £
Net cash:			
Cash in hand and at bank	—	239	239
Overdrafts	(2,473,374)	(617,193)	(3,090,567)
	<u>(2,473,374)</u>	<u>(616,954)</u>	<u>(3,090,328)</u>
Debt:			
Debt due within 1 year	(13,515)	13,515	—
Debt due after 1 year	—	(134,079)	(134,079)
Hire purchase agreements	(35,360)	(26,797)	(62,157)
	<u>(48,875)</u>	<u>(147,361)</u>	<u>(196,236)</u>
Net debt	<u>(2,522,249)</u>	<u>(764,315)</u>	<u>(3,286,564)</u>

The notes on pages 11 to 22 form part of these financial statements.

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Turnover

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

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:

Goodwill	10% straight line
----------	-------------------

Fixed Assets

All fixed assets are initially recorded at cost. The company adopts a policy of revaluation on certain classes of tangible fixed assets.

Depreciation

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

Freehold Properties	2.5% straight line
Plant & Machinery	10% straight line/25% straight line
Fixtures & Fittings	10% 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.

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.

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.

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

1. Accounting Policies *(continued)*

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.

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 company after deducting all of its liabilities.

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 Financial Statements

Year Ended 31 December 2008

2. Turnover

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

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	40,745,169	33,589,269
Europe	2,203,559	1,808,493
	<u>42,948,728</u>	<u>35,397,762</u>

3. Operating Profit

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Amortisation of government grants	(5,275)	(5,275)
Amortisation of intangible assets	15,000	—
Depreciation of owned fixed assets	592,276	547,147
Depreciation of assets held under hire purchase agreements	34,707	35,801
Loss on disposal of fixed assets	15,646	2,579
Auditor's remuneration		
- as auditor	12,000	12,800
Operating lease costs:		
- Other	23,000	5,936
Net loss on foreign currency translation	<u>210,888</u>	<u>52</u>

4. Particulars of Employees

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

	2008 No	2007 No
Number of production staff	68	65
Number of distribution staff	33	32
Number of administrative staff	16	15
	<u>117</u>	<u>112</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	2,748,844	2,387,316
Social security costs	281,058	262,039
Other pension costs	30,000	25,000
	<u>3,059,902</u>	<u>2,674,355</u>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

5. Directors' Emoluments

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

	2008 £	2007 £
Emoluments receivable	451,837	332,380
Value of company pension contributions to money purchase schemes	30,000	25,000
Compensation for loss of directorship	—	30,000
	<u>481,837</u>	<u>387,380</u>

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

	2008 No	2007 No
Money purchase schemes	<u>1</u>	<u>1</u>

6. Profit on Disposal of Fixed Assets

	2008 £	2007 £
Profit on disposal of freehold property at Highgate Brewery	<u>—</u>	<u>211,875</u>

7. Loss on Disposal of Investments in Subsidiary Undertakings

	2008 £	2007 £
Loss on sale of shares in Highgate Brewery Limited	—	36,234
Loss on discharge of loans due from Highgate Brewery Limited	—	136,400
	<u>—</u>	<u>172,634</u>

8. Amounts due to Subsidiary Undertakings Written Off

	2008 £	2007 £
Amounts due to Knights Cider Limited written off	—	148,234
Amounts due from The Roman Springs Pure Water Company Limited written off	—	(14,227)
	<u>—</u>	<u>134,007</u>

9. Interest Receivable and Similar Income

	2008 £	2007 £
Bank interest receivable	455	1,042
Other similar income receivable	12,668	12,347
	<u>13,123</u>	<u>13,389</u>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

10. Amounts Written Off Investments

	2008 £	2007 £
Amounts written off investments	<u>-</u>	<u>50,548</u>

11. Interest Payable and Similar Charges

	2008 £	2007 £
Interest payable on bank borrowing	76,070	102,626
Finance charges	3,196	3,794
Other similar charges payable	28,223	-
	<u>107,489</u>	<u>106,420</u>

12. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2007 - 30%)	633,734	426,773
Over/under provision in prior year	(85,136)	(2,460)
Total current tax	<u>548,598</u>	<u>424,313</u>
Deferred tax:		
Origination and reversal of timing differences	98,571	(103,289)
Tax on profit on ordinary activities	<u>647,169</u>	<u>321,024</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>2,120,534</u>	<u>1,554,129</u>
Effect of:		
Profit on ordinary activities by rate of tax	593,750	466,239
Expenses not allowable for tax	54,048	34,924
Amortisation of grants	(1,477)	(1,583)
Excess of capital allowances over depreciation	(31,728)	(49,409)
Loss/(profit) on sale of fixed assets	4,381	(62,789)
Chargeable gains on sale of fixed assets	-	32,478
Capital assets expensed	3,703	1,325
Loss on sale of shared not allowable for tax	-	10,870
Gain on intra-group loans written off not taxable	-	718
Utilisation of group and brought forward tax losses	-	(6,000)
Reduction in tax rate from 30% to 28%	11,057	-
Over-provision in prior year	(85,136)	(2,460)
Total current tax (note 12(a))	<u>548,598</u>	<u>424,313</u>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

13. Dividends

Equity dividends

	2008 £	2007 £
Paid		
Dividends paid on ordinary shares	<u>500,000</u>	<u>250,000</u>

14. Intangible Fixed Assets

	Goodwill £
Cost	
At 1 January 2008 and 31 December 2008	<u>150,002</u>
Amortisation	
At 1 January 2008	112,501
Charge for the year	<u>15,000</u>
At 31 December 2008	<u>127,501</u>
Net Book Value	
At 31 December 2008	<u>22,501</u>
At 31 December 2007	<u>37,501</u>

15. Tangible Fixed Assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost or Valuation				
At 1 January 2008	2,570,000	4,216,700	23,300	6,810,000
Additions	225,000	928,180	906	1,154,086
Disposals	—	(93,500)	—	(93,500)
At 31 December 2008	<u>2,795,000</u>	<u>5,051,380</u>	<u>24,206</u>	<u>7,870,586</u>
Depreciation				
Charge for the year	66,594	558,006	2,383	626,983
On disposals	—	(8,354)	—	(8,354)
At 31 December 2008	<u>66,594</u>	<u>549,652</u>	<u>2,383</u>	<u>618,629</u>
Net Book Value				
At 31 December 2008	<u>2,728,406</u>	<u>4,501,728</u>	<u>21,823</u>	<u>7,251,957</u>
At 31 December 2007	<u>2,570,000</u>	<u>4,216,700</u>	<u>23,300</u>	<u>6,810,000</u>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

15. Tangible Fixed Assets *(continued)*

During January 2008 the company's fixed assets were valued by external surveyors. Colliers CRE valued the company's Freehold Property and Charterfields International Asset Consultants undertook a valuation of the company's Plant and Machinery. Their valuations were adopted in the financial statements as at 31 December 2007.

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.

The company's fixed assets were previously valued on the same basis on 22 October 2003.

Hire purchase agreements

Included within the net book value of £7,251,957 is £86,625 (2007 - £99,721) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £34,707 (2007 - £35,801).

Capital commitments

	2008 £	2007 £
Contracted but not provided for in the financial statements	<u>1,460,295</u>	<u>-</u>

The above capital commitment is €1,500,000 translated at the year-end rate; this being the outstanding contracted commitment to buy plant and machinery as at 31 December 2008.

Historical cost equivalents

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

	Freehold Property £	Plant & Machinery and Fixtures & Fittings £	Total £
Historical cost:			
At 1 January 2008	2,831,585	10,017,063	12,848,648
Additions	225,000	929,086	1,154,086
Disposals	-	(93,500)	(93,500)
At 31 December 2008	<u>3,056,585</u>	<u>10,852,649</u>	<u>13,909,234</u>
Depreciation:			
At 1 January 2008	669,656	7,984,126	8,653,782
On disposals	-	(8,354)	(8,354)
Charge for year	76,415	520,019	596,434
At 31 December 2008	<u>746,071</u>	<u>8,495,791</u>	<u>9,241,862</u>
Net historical cost value:			
At 31 December 2008	<u>2,310,514</u>	<u>2,356,858</u>	<u>4,667,372</u>
At 1 January 2008	<u>2,161,929</u>	<u>2,032,937</u>	<u>4,194,866</u>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

16. Investments

	Shares in group undertakings £	Other investments £	Total £
Cost			
At 1 January 2008 and 31 December 2008	<u>50,552</u>	<u>250</u>	<u>50,802</u>
Amounts Written Off			
At 1 January 2008 and 31 December 2008	<u>50,548</u>	<u>-</u>	<u>50,548</u>
Net Book Value			
At 31 December 2008 and 31 December 2007	<u>4</u>	<u>250</u>	<u>254</u>

The company holds 100% of the ordinary share capital of Knights Cider Limited, The Hereford Orchards Cider Company Limited and The Roman Springs Pure Water Company Limited. Each of these companies is also incorporated and registered in England & Wales.

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:

		2008 £	2007 £
Aggregate capital and reserves			
The Roman Springs Pure Water Company Limited	(dormant)	(371,770)	(371,770)
The Hereford Orchards Cider Company Limited	(dormant)	2	2
Knights Cider Limited	(dormant)	<u>-</u>	<u>-</u>
Profit and (loss) for the year			
The Roman Springs Pure Water Company Limited	(dormant)	-	-
The Hereford Orchards Cider Company Limited	(dormant)	-	-
Knights Cider Limited	(dormant)	<u>-</u>	<u>(52,441)</u>

17. Stocks

	2008 £	2007 £
Raw materials	1,063,718	1,193,543
Work in progress	312,735	328,547
Finished goods	414,428	440,856
	<u>1,790,881</u>	<u>1,962,946</u>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

18. Debtors

	2008 £	2007 £
Trade debtors	8,321,800	5,818,849
Prepayments and accrued income	178,818	111,494
	<u>8,500,618</u>	<u>5,930,343</u>

19. Creditors: Amounts Falling due Within One Year

	2008 £	2007 £
Bank loans and overdrafts	3,090,567	2,486,889
Trade creditors	4,071,505	3,903,787
Other creditors including taxation and social security:		
Corporation tax	547,119	226,773
Other taxation and social security	1,220,409	798,930
Hire purchase agreements	35,229	19,264
Other creditors	70,000	334,189
Directors current accounts	—	146,908
	<u>9,034,829</u>	<u>7,916,740</u>
Accruals and deferred income	1,020,737	524,992
	<u>10,055,566</u>	<u>8,441,732</u>

The bank borrowings are secured by a fixed and floating charge on all of the company's assets.

The company is engaged in a Receivables Financing Agreement with Lloyds TSB Commercial Finance under which Lloyds TSB Commercial Finance has purchased the book debts of the company. The Receivables Finance facilities are fully revolving but subject to an overall maximum Funds In Use balance of £4,945,000. As at 31 December 2008, the Funds In Use balance was £131,107 (2007 - £738,171) and is included within bank loans and overdrafts.

The company is also engaged in Plant & Machinery and Property Financing Agreements with Lloyds TSB Commercial Finance. The balances included within bank loans and overdrafts are Plant & Machinery Financing £70,503 (2007 - £119,100) and Property Financing £994,770 (2007 - £1,152,146).

Hire purchase agreements are secured on the individual assets concerned.

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

	2008 £	2007 £
Other creditors:		
Hire purchase agreements	26,928	16,096
Other creditors	134,079	—
	<u>161,007</u>	<u>16,096</u>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

21. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows:

	2008	2007
	£	£
Amounts payable within 1 year	35,229	19,264
Amounts payable between 1 and 2 years	26,928	11,376
Amounts payable between 3 and 5 years	-	4,720
	<u>62,157</u>	<u>35,360</u>

22. Pensions

The company operates a defined contribution 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 company.

The total contributions paid in the year amounted to £30,000 (2007 - £25,000).

23. Deferred Taxation

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

	2008	2007
	£	£
Provision brought forward	299,157	402,446
Profit and loss account movement arising during the year	98,571	(103,289)
Provision carried forward	<u>397,728</u>	<u>299,157</u>

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

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	397,728	299,157
	<u>397,728</u>	<u>299,157</u>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

24. Government Grants

	2008 £	2007 £
Received and receivable:		
At 1 January 2008	163,525	163,525
At 31 December 2008	<u>163,525</u>	<u>163,525</u>
Amortisation:		
At 1 January 2008	36,925	31,650
Credit to profit and loss account	5,275	5,275
At 31 December 2008	<u>42,200</u>	<u>36,925</u>
Net balance at 31 December 2008	<u>121,325</u>	<u>126,600</u>

25. Commitments under Operating Leases

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	<i>Land and buildings</i> 2008 £	2007 £
Operating leases which expire: After more than 5 years	<u>18,000</u>	<u>18,000</u>

26. Transactions with the Directors

During the year H D Ellis part-owned some of the Thimblemill Lane premises occupied by the company. The rent charged to the company in the year was £nil (2007 - £10,000). At 31 December 2008 an amount of £nil was outstanding in respect of this rent (2007 - £10,000). In July 2008 the company purchased H D Ellis' 50% share of these premises for £225,000 and the company now owns them in full.

Directors who are also company shareholders collectively received dividends from the company in the sum of £320,524 during the year (2007: £160,262).

27. Related Party Transactions

H D Ellis is the ultimate controlling party by virtue of his majority holding in the issued share capital of the company.

There were no transactions with related parties during the year such that are required to be disclosed under FRS 8.

28. Share Capital

Authorised share capital:

	2008 £	2007 £
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>

Aston Manor Brewery Company Limited

Notes to the Financial Statements

Year Ended 31 December 2008

28. Share Capital *(continued)*

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>183,222</u>	<u>183,222</u>	<u>183,222</u>	<u>183,222</u>

29. Share Premium Account

There was no movement on the share premium account during the financial year.

30. Revaluation Reserve

	2008	2007
	£	£
Balance brought forward	2,242,564	784,842
Revaluation of fixed assets	–	1,591,472
Realised on sale of property	–	(133,750)
Balance carried forward	<u>2,242,564</u>	<u>2,242,564</u>

31. Other Reserves

	2008	2007
	£	£
Capital redemption reserve	<u>320,254</u>	<u>320,254</u>

32. Profit and Loss Account

	2008	2007
	£	£
Balance brought forward	3,091,419	1,974,564
Profit for the financial year	1,473,365	1,233,105
Equity dividends	(500,000)	(250,000)
Realised on sale of property	–	133,750
Balance carried forward	<u>4,064,784</u>	<u>3,091,419</u>

33. Reconciliation of Movements in Shareholders' Funds

	2008	2007
	£	£
Profit for the financial year	1,473,365	1,233,105
Other net recognised gains and losses	–	1,591,472
Equity dividends	(500,000)	(250,000)
Net addition to shareholders' funds	<u>973,365</u>	<u>2,574,577</u>
Opening shareholders' funds	<u>5,857,459</u>	<u>3,282,882</u>
Closing shareholders' funds	<u>6,830,824</u>	<u>5,857,459</u>