

**SYMONDS CIDER & ENGLISH WINE
COMPANY LIMITED**
Reg. No. 1809366

DIRECTORS' REPORT AND ACCOUNTS
for the 9 months ended 31 December 2003



SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

REPORT OF THE DIRECTORS for the 9 months ended 31 December 2003

The directors have pleasure in submitting the audited accounts for the 9 months ended 31 December 2003.

ACTIVITIES

The company's principal activity is the manufacture and distribution of cider. The company has continued to make good progress during the period. Scrumpy Jack, the company's principal brand, is the leading premium draught cider.

YEAR END

The company's financial year end has been changed to 31 December. Previous periods comprised either 52 or 53 weeks, ending on the last Friday in March of each year.

RESULTS

The profit for the period amounted to £2,832,000 (period ended 28 March 2003 - £1,596,000) which has been transferred to reserves.

The directors do not propose the payment of a dividend (period ended 28 March 2003 - nil)

DIRECTORS

The directors holding office during the period were:

WJJ Crawshay	(appointed 22 July 2003)
J P Eggleton	(resigned 8 October 2003)
J-F Jamet	
T J Gregory	(resigned 30 June 2003)
C D Hitchiner	(resigned 8 October 2003))
R J Pennycook	(resigned 22 July 2003)
M H Templeman	(resigned 22 July 2003)
W G Stebbings	(resigned 8 October 2003))
M Stevens	(appointed 8 October 2003)

DIRECTORS' INTERESTS IN SHARES

No director had an interest in the issued shares of the company during the period. The company's ultimate parent company is Scottish & Newcastle PLC and the directors had the following interests in the issued shares of Scottish & Newcastle PLC at the dates shown (or date of appointment if later):

		At 31 December 2003	At 28 March 2003
WJJ Crawshay	- Ordinary	18,043	17,563
	- Ordinary Options	113,914	57,781
J-F Jamet	- Ordinary	Nil	Nil
	- Ordinary Options	Nil	Nil
M Stevens	- Ordinary	2,118	1,593
	- Ordinary Options	2,581	2,581

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

**REPORT OF THE DIRECTORS for the 9 months ended 31 December 2003
(continued)**

The shareholdings include interests, if any, held by a director as trustee or by a director's wife or infant children.

Save as disclosed above, none of the directors held shares in the company's ultimate parent company or in subsidiaries of the company's ultimate parent company.

TERMS OF PAYMENT

The Company has no trade creditors (period ended 28 March 2003 - none)

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be submitted at the forthcoming annual general meeting.

By Order of the Board



**M Stevens
Secretary**

26 October 2004

Ashby House
1 Bridge Street
Staines
TW18 4TP

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

To the shareholders of Symonds Cider & English Wine Company Limited

We have audited the financial statements of Symonds Cider & English Wine Company Limited for the 9 months ended 31 December 2003 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

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 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

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the 9 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young
Chartered Accountants and Registered Auditors
Edinburgh

29 October 2004

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the 9 months ended 31 December 2003

		9 months ended 31 December 2003 £'000	11 months ended 28th March 2003 £'000
Turnover	Note 2	14,901	20,745
Cost of Sales		<u>(6,990)</u>	<u>(10,693)</u>
Gross Profit		7,911	10,052
Selling, marketing and distribution costs		(3,685)	(7,605)
Administrative expenses		<u>(185)</u>	<u>(187)</u>
Operating Profit		4,041	2,260
Interest receivable	5	<u>3</u>	<u>14</u>
Profit on ordinary activities before taxation	3	4,044	2,274
Taxation on profit on ordinary activities	6	<u>(1,212)</u>	<u>(678)</u>
Profit on ordinary activities after taxation and retained profit for the financial period	14	<u><u>2,832</u></u>	<u><u>1,596</u></u>

The results of the company for the period and prior period all arise from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

The company had no recognised gains or losses in either period other than the profit for the financial period.

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

BALANCE SHEET AT 31 December 2003

		31 December 2003 £'000	28th March 2003 £'000
	Note		
Fixed assets			
Investment in Subsidiary Company	8	<u>9,082</u>	<u>9,082</u>
		9,082	9,082
Current assets			
Stocks	9	883	289
Debtors	10	<u>11,972</u>	<u>8,522</u>
		12,855	8,811
Current liabilities			
Creditors – amounts falling due within one year	11	<u>(3,075)</u>	<u>(1,863)</u>
Net current assets		<u>9,780</u>	<u>6,948</u>
Total assets less current liabilities		<u>18,862</u>	<u>16,030</u>
Capital and reserves			
Called up share capital	13	3,735	3,735
Profit and loss account	14	<u>15,127</u>	<u>12,295</u>
Equity shareholders' funds		<u>18,862</u>	<u>16,030</u>

The accompanying notes are an integral part of this balance sheet.

Approved by the Board on ²⁶October 2004.



Director

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the 9 months ended 31 December 2003

	31 December 2003 £'000	28th March 2003 £'000
Profit for the financial period	2,832	1,596
Opening shareholders' funds	16,030	14,434
Closing shareholders' funds	<u>18,862</u>	<u>16,030</u>

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Financial Periods

The company's year end has been changed to 31st December.

The previous financial year end was the last Friday in March.

Accounting Basis

These accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The accounts do not include a cash flow statement, as these accounts are included within the consolidated accounts of Scottish & Newcastle plc.

Tangible Fixed Assets

Tangible fixed assets are depreciated over their expected useful lives on a straight line basis. Freehold buildings are depreciated over their expected useful lives, being 50 years.

Plant, vehicles and equipment are depreciated at the following rates per annum:

General plant	-	10 or 5%
Cars and office equipment	-	20%

Government Grants

Grants related to expenditure on tangible fixed assets are credited to profit over a period approximating to the lives of the qualifying assets. The balance of grants received, less the amounts credited to profit, is included in the balance sheet as deferred income.

Fixed Asset Investments

Shares in subsidiaries are stated at cost less provision for any impairment in value.

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS

Stocks

Stocks are valued at the lower of cost and net realisable value on the basis of average cost, including production overheads, for manufactured stock and cost on a first in first out basis for factored stock.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and recognised in the accounts only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into and that tax would be payable taking into account the availability of any double taxation relief.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or in process of enactment at the balance sheet date. It is measured on a non-discounted basis.

Turnover

Turnover represents the amount derived from the provision of goods and services, including Excise Duty but excluding Value Added Tax. The origin and destination of all turnover is the United Kingdom.

2. SEGMENTAL ANALYSIS

The company's activity is the distribution of cider, which is carried out in the United Kingdom. All turnover and profit derives from continuing activities.

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS

3. Profit on ordinary activities before taxation	31 December 2003 £'000	28th March 2003 £'000
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This is stated after charging/(crediting):

- Depreciation of tangible fixed assets	-	1
- Writeoff of fixed assets	-	3

The audit fee for the current and prior periods has been borne by HP Bulmer Limited.

- 4. Staff costs and numbers**
There were no employees in either period and director costs have been borne by H.P.Bulmer Limited.

5. Interest receivable		
Interest receivable from tax authorities	<u>3</u>	<u>14</u>

- 6. Taxation on profit on ordinary activities**
The charge for taxation comprises:

UK corporation tax on income for the period	-	-
Adjustments in respect of prior years	-	(473)
Total UK corporation tax	<u>-</u>	<u>(473)</u>
Charge for group relief from fellow subsidiary	1,212	1,154
Transfer from deferred tax provision	<u>-</u>	<u>(3)</u>
	<u>1,212</u>	<u>678</u>

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS

Factors affecting current tax charge for the period:

The current tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%) applied to the profit on ordinary activities before taxation. The differences are:

	31 December 2003	28th March 2003
	£'000	£'000
Tax charge at UK corporation tax rate (30%)	1,213	682
Income taxable when received	-	2
Non taxable income	(1)	(4)
Excess book depreciation over tax depreciation	-	1
Adjustment to tax charge in respect of prior periods	-	(473)
Utilisation of surrendered tax losses	(1,212)	(681)
Current tax charge for the period	<u>-</u>	<u>(473)</u>

Factors that may affect future tax charges:

Deferred tax has not been provided on the unremitted earnings of overseas subsidiaries as earnings are continually reinvested locally and the remittance of the retained earnings is unlikely to lead to future tax charges due to the availability of double taxation relief.

	Plant, vehicles & equipment £'000
7. Tangible fixed assets	
Cost	
At beginning of period	182
Written off	<u>-</u>
At end of period	<u>182</u>
Depreciation	
At beginning of period	182
Amount provided	<u>-</u>
At end of period	<u>182</u>
Net book amounts	
At 31 December 2003	-
At 28 th March 2003	-

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS

8. Investment in Subsidiary Company	£'000
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At 31 December 2003	9,082
At 28 th March 2003	9,082

At 31 December 2003 the following company was a wholly owned subsidiary company with ordinary shares only.

	Country of Registration/ Incorporation	Principal Activity
Bulmers Europe SA (previously Cidre Stassen SA)	Belgium	Cider

Group accounts have not been prepared as the Company is a wholly owned subsidiary of another company incorporated in Great Britain (see note 17).

9. Stocks	31 December 2003 £'000	28 th March 2003 £'000
Finished goods	883	289

The replacement costs of stocks do not differ materially from their historical costs.

10. Debtors	31 December 2003 £'000	28 th March 2003 £'000
Corporation tax	-	122
Other debtors	-	14
Amounts owed by parent undertaking	11,972	8,386
	<u>11,972</u>	<u>8,522</u>

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED
NOTES TO THE ACCOUNTS

11. Creditors – amounts falling due within one year	31 December 2003 £'000	28th March 2003 £'000
Amounts owed to fellow subsidiaries	1,395	1,395
Amounts owed to ultimate parent company	1,680	468
	3,075	1,863

12. Deferred Tax	31 December 2003 £'000	28th March 2003 £'000
Provision has been made for corporation tax at 30% on fixed asset timing differences Amounts provided:		
At beginning of period	-	3
Transfer to profit and loss account	-	(3)
At end of period	-	-

13. Share Capital	26th Dec 2003 Number	26th Dec 2003 £'000	28th Mar 2003 Number	28th Mar 2003 £'000
Ordinary shares of £1 each:				
Authorised	3,750,000	3,750	3,750,000	3,750
Allotted, called up and fully paid	3,735,000	3,735	3,735,000	3,735

14. Reserves	Profit and Loss Account £'000
At 28 th March 2003	12,295
Retained profit for the period	2,832
At 31 December 2003	15,127

SYMONDS CIDER & ENGLISH WINE COMPANY LIMITED
NOTES TO THE ACCOUNTS

15. Capital Commitments

At 31 December 2003 there were no future commitments for capital expenditure under contract (28th March 2003 – nil).

16. Leases

At the period end the company had no commitments to make payments in respect of operating leases (28th March 2003 – nil).

17. Ultimate Parent Company

Scottish & Newcastle plc is the parent company of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from the registered office of Scottish & Newcastle plc, 33 Ellersly Road, Edinburgh, EH12 6HX. The company has not disclosed related party transactions with group companies, as permitted by Financial Reporting Standard 8, as it is a wholly owned subsidiary of Scottish & Newcastle plc.