

YOUNG'S HOME BREW LIMITED

ABBREVIATED FINANCIAL ACCOUNTS FOR THE  
YEAR ENDED 31st JULY 2001

Thorpe Thompson  
Chartered Accountants and Registered Auditors  
1st Floor Lincoln Lodge  
2 Tettenhall Road  
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West Midlands  
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Company No. 1175561

YOUNG'S HOME BREW LIMITED  
ABBREVIATED FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 31st JULY 2001

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YOUNG'S HOME BREW LIMITED  
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31st JULY 2001

The directors' present their annual report together with the audited financial statements for the above year.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The activities of the company are unchanged since last year and are principally the wholesale supply of home brew merchandise.

The results for the year are set out on page 4.

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory. Turnover has increased during the year under review and the directors expect this to continue in the coming year.

**DIRECTORS**

The directors of the company during the year and their beneficial interests in the issued share capital of the company at the beginning and end of the year were as follows :

	Ordinary Shares of £1 each	
	2001	2000
Robert John Young	80,000	80,000
Margaret Elizabeth Young	20,000	20,000
Alma Young	-	-
Peter John Flavell	-	-

This report was approved by the board on 20th December 2001 and signed on its behalf.

By Order of the Board

  
M.E. Young  
Secretary

YOUNG'S HOME BREW LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

## Directors' responsibilities in respect of the preparation of accounts

Company law requires the directors to prepare accounts 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 accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 accounts;
- prepare the financial accounts 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 accounts comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS REPORT TO YOUNG'S HOME BREW LIMITEDUNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 7 together with the financial statements of the company for the year ended 31st July 2001 prepared under section 226 of the Companies Act 1985.

#### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

#### Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

#### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 7 are properly prepared in accordance with those provisions.



Thorpe Thompson  
Chartered Accountants and Registered Auditors  
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21st December 2001

## YOUNG'S HOME BREW LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st JULY 2001

	<u>Note</u>	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Gross Profit		1,055,044	777,319
Selling and Distribution Costs		404,695	358,422
Administrative Expenses		91,696	90,851
Other Operating Charges		377,891	244,740
Operating Profit	2	180,762	83,306
Interest Receivable		41,948	35,821
Profit on Ordinary Activities		222,710	119,127
Tax on Ordinary Activities	5	45,230	24,576
Profit after Taxation		177,480	94,551
Dividends		50,000	15,000
Retained Profit for the Year		127,480	79,551
Balance at 1st August 2000		1,390,281	1,310,730
Balance at 31st July 2001		<u>1,517,761</u>	<u>1,390,281</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements in shareholder's funds other than the recognised gains and losses included in the profit and loss account.

YOUNG'S HOME BREW LIMITEDBALANCE SHEET  
AS AT 31st JULY 2001

	<u>Note</u>	£	<u>2001</u> £	£	<u>2000</u> £
<b>FIXED ASSETS</b>					
Tangible Assets	6		132,985		122,630
<b>CURRENT ASSETS</b>					
Stocks	7	631,095		706,026	
Debtors	8	492,525		379,424	
Cash at Bank and in Hand		914,835		670,083	
			<u>2,038,455</u>	<u>1,755,533</u>	
CREDITORS : amounts falling due within one year	9	544,979		379,382	
			<u>1,493,476</u>	<u>1,376,151</u>	
<b>NET CURRENT ASSETS</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,626,461</u>	<u>1,498,781</u>	
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	10		8,700		8,500
			<u>1,617,761</u>	<u>1,490,281</u>	
<b>CAPITAL AND RESERVES</b>					
Called Up Share Capital	11		100,000		100,000
Profit and Loss Account			1,517,761		1,390,281
			<u>1,617,761</u>	<u>1,490,281</u>	
<b>Shareholders' Funds</b>			<u>1,617,761</u>	<u>1,490,281</u>	

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies, were approved by the board on 20th December 2001.

Signed on behalf of the Board of Directors.

.....  
Robert John Young

Director

## YOUNG'S HOME BREW LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31st JULY 2001

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Reconciliation of operating profit to net cash inflow/(outflow) from operations		
Operating profit	180,762	83,306
Depreciation charges	32,796	23,584
Movement in stocks	74,931	(157,094)
Movement in debtors	(111,880)	(32,111)
Movement in creditors	178,694	68,803
Net cash inflow/(outflow) from operations	<u>355,303</u>	<u>(13,512)</u>

CASH FLOW STATEMENT

Net cash inflow/(outflow) from operations	355,303	(13,512)
Returns on investments and servicing of finance (note 13a)	(9,273)	23,867
Taxation	(22,530)	(10,475)
Capital expenditure (note 13a)	(43,151)	(28,010)
Increase/(decrease) in cash	<u>280,349</u>	<u>(28,130)</u>

Reconciliation of net cash flow to  
movement in net funds (note 13b)

Increase/(decrease) in cash	280,349	(28,130)
Net funds at 1st August 2000	569,726	597,856
Net funds at 31st July 2001	<u>850,075</u>	<u>569,726</u>

YOUNG'S HOME BREW LIMITEDNOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31st JULY 20011. Accounting Policies

## a. Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

## b. Turnover

Turnover comprises the value of goods supplied net of Value Added Tax.

## c. Tangible fixed assets

All tangible fixed assets are stated at cost.

Depreciation is calculated so as to write off the fixed assets, less estimated residual values, on a straight line basis over the expected useful lives of the assets concerned.

The annual rates used for this purpose are as follows:

Plant and Equipment	10% - 20%
Motor Vehicles	20%

## d. Stocks

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

Cost includes all direct expenditure. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

## e. Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

## f. 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 when arriving at the operating profit.

## g. Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

## h. Pension costs

Pensions are provided by means of defined contribution schemes.

Contributions payable to the company's pension schemes are charged to the profit and loss account in the year in which they are incurred.

YOUNG'S HOME BREW LIMITEDNOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31st JULY 20012. Operating Profit

Operating Profit is stated after charging/(crediting):

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Depreciation		
- tangible owned fixed assets	31,793	25,273
(Profit)/Loss on Sale of Fixed Assets	1,003	(1,689)
Auditors Remuneration	4,900	4,800
Rentals Under Operating Leases		
- hire of motor cars	-	1,192
- hire of lorries	49,489	50,011
- hire of equipment	3,471	3,471
	<u>          </u>	<u>          </u>

3. Staff Costs

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Staff costs for all employees, including the directors, were as follows:		
Wages and Salaries	680,725	527,852
Social Security Costs	63,002	45,555
Pension Contributions	52,370	52,370
	<u>796,097</u>	<u>625,777</u>

The average number of employees, including the directors, were as follows :

	<u>No.</u>	<u>No.</u>
Warehousing and Distribution	21	21
Retail	4	4
Office	4	5
Management	13	12
	<u>          </u>	<u>          </u>

4. Information Regarding Directors

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Directors' Emoluments		
Remuneration	261,760	150,397
Pension Contributions	42,860	42,860
	<u>304,620</u>	<u>193,257</u>

## Related Party Transactions

During the year, rent was paid to the company's self-administered pension scheme, in respect of the company's operating premises, amounting to £80,000.

YOUNG'S HOME BREW LIMITED

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31st JULY 2001

5. Taxation

The tax charge on the Profit on Ordinary Activities was as follows :

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
UK Corporation Tax		
Current	45,030	22,576
Deferred	200	2,000
	<u>45,230</u>	<u>24,576</u>

6. Fixed Assets

## Tangible Assets

	<u>Motor</u> <u>Vehicles</u> <u>£</u>	<u>Plant &amp;</u> <u>Equipment</u> <u>£</u>	<u>Office &amp; Data</u> <u>Equipment</u> <u>£</u>	<u>Total</u> <u>£</u>
Cost				
At 1st August 2000	43,282	96,331	119,750	259,363
Additions	28,614	2,629	18,408	49,6
Disposals	(19,792)	(4 784)	(6,291)	(30,8
At 31st July 2001	<u>52,104</u>	<u>94,176</u>	<u>131,867</u>	<u>278,1</u>
Depreciation				
At 1st August 2000	16,382	70,226	50,125	136,7
Charge for the Year	10,526	4,347	16,920	31,7
Disposals	(12,289)	(4,784)	(6,291)	(23,3
At 31st July 2001	<u>14,619</u>	<u>69,789</u>	<u>60,754</u>	<u>145,1</u>
Net Book Values				
At 31st July 2001	<u>37,485</u>	<u>24,387</u>	<u>71,113</u>	<u>132,9</u>
At 31st July 2000	<u>26,900</u>	<u>26,105</u>	<u>69,625</u>	<u>122,630</u>

7. Stocks

Stocks comprise goods for resale only.

YOUNG'S HOME BREW LIMITED

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31st JULY 2001

<b>8. Debtors</b>	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Amounts due within one year		
Trade Debtors	434,946	351,115
Prepayments	57,579	28,309
	<u>492,525</u>	<u>379,424</u>
<b>9. Creditors</b>	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Bank Overdraft	64,760	100,357
Trade Creditors	353,016	220,396
Taxation	45,100	22,600
Other Taxes and Social Security	72,433	26,602
Other Creditors	834	921
Accruals	7,635	6,547
Directors' Current Accounts	1,201	1,959
	<u>544,979</u>	<u>379,382</u>
<b>10. Provision for Liabilities and Charges</b>	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Provision has been made in full for the potential liability to deferred taxation as follows:		
Accelerated Capital Allowances	<u>8,700</u>	<u>8,500</u>
<b>11. Called Up Share Capital</b>	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, Issued and Fully Paid		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

## YOUNG'S HOME BREW LIMITED

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31st JULY 2001

12. Financial Commitments

## Operating Lease Commitments

Annual commitments under operating leases were as follows:

	Land and Buildings	Other 2001	Land and Buildings	Other 2000
	£	£	£	£
Operating leases which expire:				
Within one year	-	3,400	-	3,400
- two to five years	-	49,495	-	49,476
After more than five years	80,000	-	80,000	-
	<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>-</u>

13. Cash Flow Statement

## a. Gross Cash Flows

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	40,727	38,867
Dividends paid	(50,000)	(15,000)
	<u>(9,273)</u>	<u>23,867</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(49,651)	(34,784)
Receipts from sales of tangible fixed assets	6,500	6,774
	<u>(43,151)</u>	<u>(28,010)</u>

## b. Analysis of Changes in Net Funds

	1st Aug 2000 £	Cash flows £	31st Jul 2001 £
Cash in hand and at bank	670,083	244,752	914,835
Bank overdraft	(100,357)	35,597	(64,760)
	<u>569,726</u>	<u>280,349</u>	<u>850,075</u>