

BROTHERS DRINKS CO LTD
ABBREVIATED FINANCIAL STATEMENTS
30th April 2000

Registered number: 2711055

BERKELEY JACKSON
CHARTERED ACCOUNTANTS



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BROTHERS DRINKS CO LTD
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30th April 2000

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BROTHERS DRINKS CO LTD

COMPANY INFORMATION

30th April 2000

NUMBER	2711055
DIRECTORS	M H Showering J Showering C J Courage A J Standard K Tibbals I D Glen
SECRETARY	I D Glen
REGISTERED OFFICE	The Old Mill Park Road SHEPTON MALLET Somerset
BANKERS	HSBC Bank Plc 13 High Street SHEPTON MALLET Somerset
SOLICITORS	Chubb Bullied 7 Market Place WELLS Somerset
AUDITORS	Berkeley Jackson Chartered Accountants The Old Mill Park Road SHEPTON MALLET Somerset

BROTHERS DRINKS CO LTD

DIRECTORS' REPORT

30th April 2000

The directors present their report and the abbreviated financial statements for the year ended 30th April 2000.

Principal activity

The principal activity of the company is that of manufacturing and bottling alcoholic drinks.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £2,399,400.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Fixed assets

In the opinion of the directors there is no significant difference between the present market value of the company's interest in leasehold improvements and the amounts at which they are stated in the accounts. Details are set out in note 9.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	30th April 2000		30th April 1999	
	Preference shares	Ordinary shares	Preference shares	Ordinary shares
M H Showering	10,204	15,462	13,914	15,462
J Showering	-	-	-	-
C J Courage	49,500	-	67,500	-
A J Standard	6,925	10,491	9,442	10,491
K Tibbals	10,560	16,000	14,400	16,000
I D Glen	874	1,008	504	504

M H Showering and J Showering were also beneficiaries of the Rothscilds Trust (SCHWEIZ) AG which held 468,814 Ordinary Shares at the 30th April 2000 (30th April 1999, 468,814 Ordinary Shares) and 309,416 Preference Shares at 30th April 2000 (30th April 1999, 421,933 Preference Shares).

C J Courage was a beneficiary of the Edgcote Estate Trust which held 75,000 Ordinary Shares at 30th April 2000 (30th April 1999, 75,000 Ordinary Shares).

continued

BROTHERS DRINKS CO LTD

DIRECTORS' REPORT
(continued)

30th April 2000

Share capital

During the year the company issued 624 Ordinary shares at par and 624 Preference shares at par. All shares were fully paid up at the year end.

The Company also redeemed 350,386 Preference Shares of £1 each at par. This represents 13.2% of the total Issued Share Capital of the Company and 27.7% of the total Issued Preference Share Capital of the Company. The Preference Shares were cancelled on redemption.

Future developments

The Directors are of the opinion that under favourable economic conditions, the company will continue to trade profitably in future periods.

Auditors

Berkeley Jackson have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

I D Glen
Secretary

The Old Mill
Park Road
SHEPTON MALLET
Somerset

Dated:

24/7/00

BROTHERS DRINKS CO LTD

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 of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

Dated:

24/7/00

On behalf of the board



M H Showering
Director

AUDITORS' REPORT TO
BROTHERS DRINKS CO LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 5 to 18, together with the financial statements of the company for the year ended 30th April 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements 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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 18 are properly prepared in accordance with those provisions.

SHEPTON MALLET

Dated:

24/7/00

Berkeley Jackson

Berkeley Jackson
Registered Auditors
Chartered Accountants

BROTHERS DRINKS CO LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 30th April 2000

	Note	2000 £	1999 £
Gross profit		1,345,738	994,469
Net operating expenses			
Distribution costs		(673)	(432)
Administrative expenses		(736,440)	(689,748)
Operating profit	3	608,625	304,289
Profit on sale of investments	7	-	48,350
Profit on ordinary activities before interest		608,625	352,639
Interest receivable & similar income	5	61,156	46,071
Interest payable & similar charges	6	(3,345)	(3,055)
Profit on ordinary activities before taxation		666,436	395,655
Taxation	8	(20,920)	(10,114)
Profit on ordinary activities after taxation		645,516	385,541
retained for the year	19		

Movements in reserves are shown in note 19.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 2000 or 1999 other than the profit for the year.

BROTHERS DRINKS CO LTD
 ABBREVIATED BALANCE SHEET
 at 30th April 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	9	672,534	899,557
Current assets			
Stocks	11	609,495	477,490
Debtors	12	1,664,972	1,713,316
Investments	13	2,202	2,765
Cash at bank and in hand		1,419,745	890,034
		<u>3,696,414</u>	<u>3,083,605</u>
Creditors: amounts falling due within one year	14	(1,969,548)	(1,875,140)
Net current assets		<u>1,726,866</u>	<u>1,208,465</u>
Total assets less current liabilities		<u>2,399,400</u>	<u>2,108,022</u>
Creditors: amounts falling due after more than one year	15	-	(5,000)
Net assets		<u><u>2,399,400</u></u>	<u><u>2,103,022</u></u>
Capital and reserves			
Called up share capital	18	2,311,855	2,660,993
Profit and loss account	19	87,545	(557,971)
Total shareholders' funds	17	<u><u>2,399,400</u></u>	<u><u>2,103,022</u></u>
Attributable to:			
Equity shareholders		1,482,072	835,932
Non-equity shareholders		917,328	1,267,090
		<u><u>2,399,400</u></u>	<u><u>2,103,022</u></u>

continued

BROTHERS DRINKS CO LTD

ABBREVIATED BALANCE SHEET
(continued)

at 30th April 2000

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 18 were approved by the board of directors on 24/7/00 and signed on its behalf by:



M H Showering
Director

BROTHERS DRINKS CO LTD

CASH FLOW STATEMENT

for the year ended 30th April 2000

	Note	2000		1999	
		£	£	£	£
Net cash inflow from operating activities	21		931,149		520,854
Returns on investments and servicing of finance					
Interest received		61,036		46,011	
Interest paid		(690)		(400)	
Interest element of finance lease rental payments		(2,655)		(2,655)	
Other returns		120		60	
			57,811		43,016
Taxation					
Corporation tax paid			(10,114)		-
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(85,784)		(59,839)	
Sale of tangible fixed assets		-		13,700	
Profit on current asset investment		-		48,350	
			(85,784)		2,211
			893,062		566,081
Management of liquid resources					
Sale/(purchase) of current asset investments			563		(2,765)
Financing					
Redemption & issue of share capital		(349,138)		(125,323)	
Capital element of finance lease rentals		(15,000)		(15,000)	
			(364,138)		(140,323)
Increase in cash	22		529,487		422,993

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

1 Accounting policies**Basis of accounting**

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

Turnover

Turnover represents the amount derived from the provision of goods and services including excise duty but excluding value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	10% straight line
Plant and machinery	5%-50% straight line
Motor vehicles	25% straight line
Fixtures and fittings	15% straight line

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

3 Operating profit

	2000 £	1999 £
Operating profit is stated after crediting:		
Profit on sale of assets	-	8,571
and after charging:		
Staff costs (note 4)	914,940	689,691
Auditors' remuneration	6,000	6,000
Operating leases:		
Rent	118,215	110,454
Depreciation of tangible fixed assets (note 9):		
Owned assets	290,307	326,433
Leased assets	22,500	22,500
	<u>312,807</u>	<u>348,933</u>

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

4 Directors and employees

	2000 £	1999 £
Staff costs including directors' emoluments		
Wages and salaries	836,170	619,494
Social security costs	65,120	54,894
Pension costs	13,650	15,303
	<u>914,940</u>	<u>689,691</u>
Average monthly number employed including executive directors:	Number	Number
Production staff	32	34
Administration staff	3	2
Directors	3	3
	<u>38</u>	<u>39</u>
Directors	£	£
Emoluments	161,669	84,226
Company contributions to money purchase pension schemes	1,438	1,438
	<u>163,107</u>	<u>85,664</u>
During the year the following number of directors accrued retirement benefits under money purchase pension schemes	Number	Number
	<u>1</u>	<u>1</u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,650 (1999 £15,303) including contributions in respect of employees.

5 Interest receivable & similar income

	2000 £	1999 £
Interest receivable	61,036	46,011
Other non-trading income	120	60
	<u>61,156</u>	<u>46,071</u>

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

6 Interest payable & similar charges

	2000	1999
	£	£
Bank interest	690	400
Hire purchase interest	2,655	2,655
	<u>3,345</u>	<u>3,055</u>

7 Exceptional items

	2000	1999
	£	£
Included in profit on sale of investments is:		
Sale of current asset investment	-	(48,350)
	<u>-</u>	<u>(48,350)</u>

8 Taxation

	2000	1999
	£	£
Corporation tax on profit on ordinary activities at 20% (1999 20.92%)	20,920	10,114
	<u>20,920</u>	<u>10,114</u>

The Corporation Tax charge of £10,114 in 1999 arose in respect of the exceptional profit on the sale of current asset investments as disclosed in note 7 above.

At the year end the company had trading losses of £Nil (1999 £757,177) for utilisation in future periods.

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

9 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
30th April 1999	106,500	1,539,624	303,550	83,694	2,033,368
Additions	-	80,849	4,935	-	85,784
30th April 2000	106,500	1,620,473	308,485	83,694	2,119,152
Depreciation					
30th April 1999	45,698	786,316	275,992	25,805	1,133,811
Charge for the year	26,260	261,599	16,579	8,369	312,807
30th April 2000	71,958	1,047,915	292,571	34,174	1,446,618
Net book amount					
30th April 2000	34,542	572,558	15,914	49,520	672,534
30th April 1999	60,802	753,308	27,558	57,889	899,557

The net book amount of fixed assets includes £30,000 (1999 £52,500) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

Of the amounts included for Plant and Machinery, £197,706 (1999 - £219,139) relates to Tanks and Vessels which are depreciated at a rate of 5% pa on a straight line basis.

10 Land and buildings

	2000 £	1999 £
Short leasehold	49,520	57,889

11 Stocks

	2000 £	1999 £
Raw materials	609,495	477,490
	609,495	477,490

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

12 Debtors

	2000 £	1999 £
Amounts falling due within one year		
Trade debtors	1,602,058	1,685,091
Other debtors	273	-
Prepayments and accrued income	62,641	28,225
	<u>1,664,972</u>	<u>1,713,316</u>

13 Current asset investments

	2000 £	1999 £
Quoted investments	<u>2,202</u>	<u>2,765</u>
Listed investments included in current asset investments		
Current asset investments - cost	2,202	2,765
Current asset investments - mkt value	<u>1,674</u>	<u>3,205</u>

14 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank overdrafts	54,406	54,182
Trade creditors	1,520,083	1,524,877
Corporation tax	20,920	10,114
Other taxation and social security	187,953	206,317
Accruals and deferred income	181,186	64,650
Obligations under finance leases and hire purchase contracts - note 15	5,000	15,000
	<u>1,969,548</u>	<u>1,875,140</u>

The bank overdraft is secured by a fixed and floating charge over the company's assets.

The obligations under finance leases and hire purchase contracts are secured on the assets so acquired.

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

- 15 **Creditors:** amounts falling due after more than one year

	2000 £	1999 £
Other liabilities		
Obligations under finance leases and hire purchase contracts	-	5,000
	-	5,000
Obligations under finance leases and hire purchase contracts		

These are repayable over varying periods by monthly instalments as follows:

In the next year - see note 14	5,000	15,000
In the second to fifth years	-	5,000
	5,000	20,000

- 16 **Deferred taxation**

	2000		1999	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
Capital allowances in excess of depreciation	-	11,210	-	36,635
Other timing differences	(790)	(11,210)	-	-
Unrelieved taxation losses	-	-	(114,788)	(36,635)
	(790)	-	(114,788)	-

Deferred taxation is based on a corporation tax rate of 20% (1999 20%).

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

17 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	645,516	385,541
Own shares purchased/ new share capital subscribed	(349,138)	(125,323)
Net addition to shareholders' funds	296,378	260,218
Opening shareholders' funds	2,103,022	1,842,804
Closing shareholders' funds	2,399,400	2,103,022

18 Called up share capital

	2000		1999	
	Number of shares '000's	£ '000's	Number of shares '000's	£ '000's
Authorised				
Equity shares				
Ordinary shares of £1 each	2,000	2,000	2,000	2,000
Non-equity shares				
Preference shares of £1 each	2,000	2,000	2,000	2,000
		4,000		4,000
Allotted, called up and fully paid				
Equity shares				
Ordinary shares of £1 each	1,394,527	1,394,527	1,393,903	1,393,903
Non-equity shares				
Preference shares of £1 each	917,328	917,328	1,267,090	1,267,090
		2,311,855		2,660,993

During the year 624 ordinary shares of £1 each and 624 preference shares of £1 each were allotted, fully paid at par. The company also redeemed 350,386 preference shares of £1 each at par. This represents 13.2% of the total issued share capital of the company and 27.7% of the total issued preference share capital of the company.

The preference shares carry no dividend, are redeemable at the company's option at any time up to fifteen years after issue, carry no voting rights, and take preference over ordinary shares in the event of a winding up.

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

19 Profit and loss account

	2000 £
30th April 1999	(557,971)
Retained profit for the year	645,516
	<hr/>
30th April 2000	87,545
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20 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30th April 2001

	2000 Land and Buildings £	1999 Land and Buildings £
Expiring		
Within two to five years	120,000	-
After five years	-	110,393
	<hr/>	<hr/>
	120,000	110,393
	<hr/> <hr/>	<hr/> <hr/>

21 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	2000 £	1999 £
Operating profit	608,625	304,289
Depreciation charges	312,807	348,933
Profit on sale of fixed assets	-	(8,571)
(Increase)/decrease in stocks	(132,005)	137,575
Decrease/(increase) in debtors	48,344	(435,313)
Increase in creditors	93,378	173,941
	<hr/>	<hr/>
Net cash inflow from operating activities	931,149	520,854
	<hr/> <hr/>	<hr/> <hr/>

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

22 Notes to the cash flow statement (continued)

Analysis of changes in net funds

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	890,034	529,711	1,419,745
Bank overdrafts	(54,182)	(224)	(54,406)
		<u>529,487</u>	
Finance leases	(20,000)	15,000	(5,000)
		<u>15,000</u>	
Current asset investments	2,765	(563)	2,202
		<u></u>	<u></u>
Total	<u>818,617</u>	<u>543,924</u>	<u>1,362,541</u>

Reconciliation of net cash flow to movement in net funds

	2000 £	1999 £
Increase in cash in the year	529,487	422,993
Cash outflow from decrease in debt and lease financing	15,000	15,000
Cash (inflow)/outflow from (decrease)/increase in liquid resources	(563)	2,765
	<u></u>	<u></u>
Movement in net funds in the year	543,924	440,758
Net funds at 30th April 1999	818,617	377,859
	<u></u>	<u></u>
Net funds at 30th April 2000	<u>1,362,541</u>	<u>818,617</u>

BROTHERS DRINKS CO LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April 2000

23 Related parties

Share issues

During the year 504 Ordinary Shares of £1 each and 504 Preference Shares of £1 each were issued at par to the director I D Glen.

Share redemptions

During the year Preference Shares of £1 each were redeemed at par from the following directors:

M H Showering	3,710
C J Courage	18,000
A J Standard	2,517
K Tibbals	3,840
I Glen	134