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St Austell Brewery Company Limited

Report and Accounts

31 March 2000

St Austell Brewery Company Limited

Registered No: 107021

DIRECTORS

P R Thompson - Chairman
S J Staughton - Managing Director
P P Voelcker
M St C Ruthven
T A Luck
W F Michelmore

SECRETARY

C J Stratton

AUDITORS

Ernst & Young
Broadwalk House
Southernhay West
Exeter
EX1 1LF

BANKERS

Barclays Bank Plc
Exeter Corporate Banking Centre
PO Box 328
20 High Street
Exeter
Devon
EX4 3YR

REGISTERED OFFICE

The Brewery
St Austell
Cornwall
PL25 4BY

St Austell Brewery Company Limited

NOTICE OF MEETING

Notice is hereby given that the Eighty-ninth Annual General Meeting of the company will be held at the registered office, The Brewery, St Austell, Cornwall on 28 July 2000 at 12 noon for the transaction of the following ordinary business of the company:

1. To receive and consider the directors' report and accounts for the year ended 31 March 2000.
2. To declare a dividend on the ordinary shares.
3. To re-elect P R Thompson and P P Voelcker as the directors retiring by rotation.
4. To re-appoint Ernst & Young as auditors for the ensuing year, and to authorise the directors of the company to fix their remuneration.
5. To transact any other ordinary business.

By order of the Board

The Brewery, St Austell, Cornwall, PL25 4BY

C J Stratton
Secretary
3 July 2000

Notes:

1. A member entitled to attend and vote at the above Annual General Meeting may appoint a proxy. Such proxy need not be a member of the company.
2. This Notice is sent to preference shareholders for information. Only ordinary shareholders are entitled to receive notice of and to attend and vote at the meeting.

St Austell Brewery Company Limited

CHAIRMAN'S STATEMENT

The caution expressed by my predecessor when writing to you in December regarding the Millennium celebrations proved to be well-founded. Trade over Christmas and the New Year was very similar to previous years but costs rose sharply in our managed houses and the normally quiet months of January and February were particularly flat this year. The consequence of this has been that our increased profits of £572,000 announced in December are now reduced to £423,000 with a pre-tax profit of £5,759,000 against £5,336,000 last year. Shareholders will remember that the interim dividend was increased by 2p and we now recommend a final dividend of 24p making a total of 39p for the year compared to last year's payment of 37p, an increase of 5.4%.

Turnover for the year at £47,124,000 against £43,114,000, up 9.3%, reflects increased sales in almost all trading departments. Once again sales of minerals and wine and spirits played a leading part with respective increases of 14% and 16%. Without the new wine and spirit warehouse, commented on in the statement last year, such an increase would have brought a breakdown in our service and we forecast a further increase of 10% this year. Roger Ryman, our Head Brewer, who joined us last year has produced some exciting new seasonal ales which have enabled us to win awards for our beers in both local and national competitions. Winning Tesco's Beer Challenge award with 'Clouded Yellow' has given us sales in their stores throughout the U.K. However, production fell by just over 1% although this is an improvement on the national figures which show overall beer sales down 3% and still falling. Our tenanted, managed and free trade departments all increased sales with the largest profit increase of 18% coming from our managed houses.

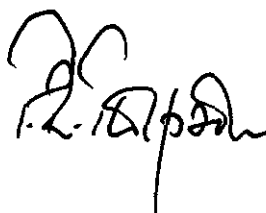
No further sales of our outlets have taken place this financial year though we continue to review the future of some of our smaller tenanted houses. We have purchased two new freehold properties, the Pedn-Olva Hotel at St Ives and the Rolle Quay Inn at Barnstaple which is our first house in North Devon. Since the year end we have also acquired the King's Head just outside Newquay. In addition, major refurbishments are being carried out at the Mill on the Exe, Exeter and the Old Custom House, Padstow and we have started planned alterations to improve the bedrooms at the Pedn-Olva, St Ives. Both the Pedn-Olva Hotel and the Victoria Inn and Lodge at Roche which opened at Whitsun in 1999 made sizeable losses in the last year but we remain confident that these losses will become profits in the foreseeable future.

David Staughton announced this time last year that he intended to retire at the end of March 2000 and I would like to take this opportunity to thank him on behalf of shareholders and employees alike for the exceptional service he has given our Company since he became a Director in 1963 and Chairman from 1979. Michael Ruthven, who joined the Board in 1987, will also be retiring at our AGM in July. He has brought to us an unrivalled knowledge of our trade and we will greatly miss his expertise. We wish them both many years of health and happiness.

2001 will mark the 150th anniversary of the founding of the Brewery. We will be celebrating this important year with a variety of events, one of which planned is a luncheon party for as many shareholders as can manage to get to St Austell for the AGM to be held on Friday 27 July 2001. Details of the event will be sent to you nearer the time but in the meantime please put the date in your diaries.

Trade in our 150th year is a challenge, but with our ongoing capital investment we are confident of continuing progress. My thanks go to all who have worked hard to achieve another satisfactory year.

P R Thompson
Chairman
15 June 2000



St Austell Brewery Company Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2000.

PRINCIPAL ACTIVITY

The group operates a portfolio of tenanted and managed public houses and hotels and sells its own manufactured and bought in alcoholic and non alcoholic products through this portfolio and free trade outlets.

REVIEW OF ACTIVITIES

The activities of the company through the year are reviewed in detail in the Chairman's statement on page 4.

DIVIDENDS

An interim dividend of 15p has been paid on the ordinary shares. The directors recommend that a final dividend of 24p be paid on the ordinary shares.

On 9 April 1999, the company purchased 278,000 of its own allotted £1 ordinary shares for a total consideration of £2,211,000. The shares were immediately cancelled and were not entitled to the 1999 final dividend of 24p per ordinary share.

CHARITABLE DONATIONS

The company made charitable donations during the year of £8,226.

EMPLOYEE INVOLVEMENT

The company provides employees with information concerning the company's results and regular meetings are held to discuss other matters of interest to them as employees. Full and fair consideration is given to suitable applications from disabled persons for employment, and opportunities also exist for employees who become disabled to continue in their employment or to be retrained for other positions so far as it is practical.

DIRECTORS AND THEIR INTERESTS

The directors during the year and their interests in the share capital of the company were as follows:

	Ordinary Shares				Preference Shares	
	31 March 2000 Beneficial	31 March 2000 Non- beneficial	1 April 1999 Beneficial	1 April 1999 Non- beneficial	31 March 2000	1 April 1999
S D Staughton	94,337	254,442	94,337	248,607	-	-
P R Thompson	63,650	204,428	63,650	200,618	50	50
P P Voelcker	73,824	204,428	63,704	200,618	377	377
M St C Ruthven	6,070	-	6,070	-	-	-
T A Luck	3,415	-	3,215	-	-	-
S J Staughton	18,439	-	18,389	-	-	-
W F Michelmores	12,817	12,500	10,112	2,500	-	-

S D Staughton retired as a director on 31 March 2000.

DIRECTORS' REPORT

YEAR 2000 AND OTHER DATE RELATED ISSUES

Prior to 31 December 1999, steps were taken to review computer and date dependent systems critical to the company's ongoing operations and preparation of financial information to establish the impact, if any, which the Year 2000 might have on the accuracy of its calculations, processing and reporting. Although in the future it is not possible to guarantee that no Year 2000 problems remain, the company believes that its internal systems are Year 2000 compliant.

The company continues to address the business risk from third parties with whom it deals on business or financial matters, including key customers and suppliers. Contingency plans have been developed to minimise the risk of disruption. No significant disruption has occurred to date.

Although the millennium date change has passed and no significant problems have been encountered, the directors recognise that there is still a risk of Year 2000 impacting the business but do not expect this to be significant.

The company does not expect to incur further significant costs in respect of this issue.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

Colin Stratton

C J Stratton
Secretary
15 June 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
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 the group 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 judgements and estimates that are reasonable and prudent; and
- prepare the 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 the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

REPORT OF THE AUDITORS
to the members of St Austell Brewery Company Limited

We have audited the accounts on pages 9 to 25, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 14.

Respective responsibilities of directors and auditors

As described on page 7 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31 March 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Exeter
15 June 2000

St Austell Brewery Company Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 March 2000

	<i>Notes</i>	<i>2000</i> <i>£'000</i>	<i>1999</i> <i>£'000</i>
TURNOVER	2	47,124	43,114
Cost of sales		(27,372)	(25,417)
Gross profit		19,752	17,697
Distribution and administration costs	3	(13,818)	(12,382)
OPERATING PROFIT	4	5,934	5,315
Bank interest receivable		57	105
Interest payable and similar charges	6	(232)	(84)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,759	5,336
Tax on profit on ordinary activities	7	(1,857)	(1,651)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,902	3,685
Dividends on equity and non-equity shares	8	(911)	(899)
PROFIT RETAINED FOR THE FINANCIAL YEAR		2,991	2,786

St Austell Brewery Company Limited

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2000

	<i>Notes</i>	<i>2000</i> £'000	<i>1999</i> £'000
Profit attributable to shareholders		3,902	3,685
Total recognised gains and losses relating to the year		<u>3,902</u>	<u>3,685</u>
Prior period adjustment			
- restatement of freehold property to historical cost	20	-	(264)
		<u>3,902</u>	<u>3,421</u>

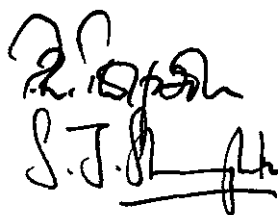
St Austell Brewery Company Limited

GROUP BALANCE SHEET at 31 March 2000

			2000	As restated 1999
	Notes		£'000	£'000
FIXED ASSETS				
Tangible assets	9		28,505	26,021
CURRENT ASSETS				
Stocks and work in progress	12		3,420	3,049
Debtors	13		5,948	5,238
Cash at bank and in hand			230	236
			9,598	8,523
CREDITORS: amounts falling due within one year	14		(11,524)	(9,019)
NET CURRENT LIABILITIES			(1,926)	(496)
TOTAL ASSETS LESS CURRENT LIABILITIES			26,579	25,525
CREDITORS: amounts falling due after more than one year	15		(277)	(265)
PROVISION FOR LIABILITIES AND CHARGES	16		(677)	(415)
			25,625	24,845
CAPITAL AND RESERVES				
Called up share capital	17		2,422	2,700
Capital redemption reserve	18		478	200
Profit and loss account	18		22,725	21,945
			25,625	24,845
Shareholders' funds:				
Equity			25,525	24,745
Non-equity			100	100
			25,625	24,845

Approved by the Board on 15 June 2000

P R Thompson }
S J Staughton } Directors



St Austell Brewery Company Limited

COMPANY BALANCE SHEET at 31 March 2000

	Notes	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	9	27,735	25,232
Investments	11	400	400
		<u>28,135</u>	<u>25,632</u>
CURRENT ASSETS			
Stocks and work in progress	12	3,408	3,038
Debtors	13	5,938	5,230
Cash at bank and in hand		155	185
		<u>9,501</u>	<u>8,453</u>
CREDITORS: amounts falling due within one year	14	<u>(12,405)</u>	<u>(9,787)</u>
NET CURRENT LIABILITIES		<u>(2,904)</u>	<u>(1,334)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,231</u>	<u>24,298</u>
CREDITORS: amounts falling due after more than one year	15	(277)	(265)
PROVISION FOR LIABILITIES AND CHARGES	16	<u>(570)</u>	<u>(308)</u>
		<u>24,384</u>	<u>23,725</u>
CAPITAL AND RESERVES			
Called up share capital	17	2,422	2,700
Capital redemption reserve	18	478	200
Profit and loss account	18	21,484	20,825
		<u>24,384</u>	<u>23,725</u>
Shareholders' funds:			
Equity		24,284	23,625
Non-equity		100	100
		<u>24,384</u>	<u>23,725</u>

Approved by the Board on 15 June 2000

P R Thompson
S J Staughton

}
} Directors

R. J. Staughton
S. J. Thompson

St Austell Brewery Company Limited

GROUP CASH FLOW STATEMENT

for the year ended 31 March 2000

	Notes	2000 £'000	1999 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19a	5,635	6,630
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		57	105
Interest paid		(229)	(55)
Preference dividends paid		(5)	(4)
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(177)	46
TAXATION PAID		(1,853)	(1,649)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(3,785)	(4,366)
Sales of tangible fixed assets		167	267
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(3,618)	(4,099)
EQUITY DIVIDENDS PAID		(905)	(910)
CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		(918)	18
FINANCING			
Repurchase of own shares		(2,211)	-
(DECREASE)/INCREASE IN CASH IN THE YEAR	19b	(3,129)	18
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		2000 £'000	1999 £'000
(Decrease)/increase in cash		(3,129)	18
Net debt at 1 April		(2,221)	(2,239)
Net debt at 31 March	19b	(5,350)	(2,221)

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost basis and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts incorporate the assets and liabilities of the subsidiary undertakings as at 31 March and the results for the year ended on that date.

The company has taken advantage of the exemption in Section 230 of the Companies Act 1985 not to present a separate profit and loss account dealing with the results of the company.

Depreciation

Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life as follows:

Freehold buildings	-	over 50 years
Long and short leasehold land and buildings	-	over the lease term
Plant, machinery and furniture	-	over 5 to 13 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Stocks and work in progress

This is valued at the lower of cost and net realisable value.

Pensions

The group operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. Contributions to these funds are charged in the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged in the profit and loss account are treated as either provisions or prepayments in the balance sheet.

Leased assets

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

2 TURNOVER

This represents sales in the United Kingdom net of value added tax.

3 DISTRIBUTION AND ADMINISTRATIVE COSTS

	2000 £'000	1999 £'000
Distribution costs	1,577	1,354
Administrative costs	12,241	11,028
	<u>13,818</u>	<u>12,382</u>

4 OPERATING PROFIT

This has been arrived at after charging/(crediting):

	2000 £'000	1999 £'000
Depreciation	1,078	1,052
Auditors' remuneration - Audit	18	18
- Other services	11	7
Rent receivable from properties	<u>(1,373)</u>	<u>(1,294)</u>

5 DIRECTORS AND OTHER EMPLOYEES

Remuneration of directors

	2000 £'000	1999 £'000
Directors' emoluments	<u>319</u>	<u>336</u>

In addition £14,333 (1999 - £11,000) was paid to Michelmores, Solicitors, for the services of Mr W F Michelmore as a non-executive director.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

5 DIRECTORS AND OTHER EMPLOYEES (continued)

The aggregate of emoluments of the highest paid director was £109,000 (1999 - £103,000). He retired as an executive director on 31 March 2000 and was appointed non-executive Chairman. His accrued lump sum at the end of the year under the pension scheme was £144,808.

	2000 No.	1999 No.
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	2	4

The average number of persons employed by the group during the year was as follows:

	2000 No.	1999 No.
At the brewery and depots	215	214
At hotels and public houses	671	648
	886	862

	2000 £'000	1999 £'000
Staff costs include the following:		
Wages and salaries	7,332	6,641
Social security costs	463	436
Other pension costs	290	255
	8,085	7,332

The company operates a defined benefit pension scheme for the benefit of all employees at the brewery and depots and for managed house managers. The scheme is funded by the payment of contributions to a separately administered trust fund. The contributions are determined by an independent qualified actuary on the basis of triennial valuation using the projected unit method. The results of the most recent actuarial valuation at 31 March 1999 were as follows:

	% per annum
Main assumptions:	
Rate of return on investments	8
Rate of salary increases	6
Rate of pension increases	4
	£'000
Market value of scheme's assets	15,370
Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases	% 83

In accordance with the advice of the actuary and following the results of the above valuation, the contributions of the company were increased from 9.2% to 11.2% of pensionable earnings with effect from 1 November 1999.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
Bank overdraft	226	74
Other loans	6	10
	<u>232</u>	<u>84</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
Corporation tax	1,681	1,635
Deferred taxation	262	17
Prior year adjustment	(86)	(1)
	<u>1,857</u>	<u>1,651</u>

8 DIVIDENDS

	2000 £'000	1999 £'000
Equity dividends on ordinary shares:		
Interim paid - 15p (1999 - 13p)	349	338
Final proposed - 24p (1999 - 24p)	557	557
	<u>906</u>	<u>895</u>
Non-equity dividends on 5% preference shares:		
Interim paid	2	2
Final paid	3	2
	<u>5</u>	<u>4</u>
	<u>911</u>	<u>899</u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

9 TANGIBLE FIXED ASSETS

Group

	<i>Land and buildings</i>			<i>Plant, machinery & furniture etc</i>	<i>Total</i>
	<i>Freehold</i>	<i>Long leasehold</i>	<i>Short leasehold</i>		
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cost or valuation:					
At 1 April 1999 as previously reported	19,998	955	1,068	14,036	36,057
Prior period adjustment	(264)	-	-	-	(264)
At 1 April 1999 as restated at cost	19,734	955	1,068	14,036	35,793
Additions	1,829	20	2	1,934	3,785
Disposals	-	-	-	(402)	(402)
At 31 March 2000	21,563	975	1,070	15,568	39,176
Depreciation:					
At 1 April 1999	-	31	159	9,582	9,772
Charge for the year	58	3	26	991	1,078
Disposals	-	-	-	(179)	(179)
At 31 March 2000	58	34	185	10,394	10,671
Net book value					
At 31 March 2000	21,505	941	885	5,174	28,505
At 31 March 1999 as restated	19,734	924	909	4,454	26,021

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

9 TANGIBLE FIXED ASSETS (continued)

Company

	Land and buildings			Plant, machinery & furniture etc	Total
	Freehold	Long leasehold	Short Leasehold		
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 April 1999	19,174	958	1,068	13,352	34,552
Additions	1,829	20	2	1,925	3,776
Disposals	-	-	-	(402)	(402)
At 31 March 2000	21,003	978	1,070	14,875	37,926
Depreciation:					
At 1 April 1999	-	31	159	9,130	9,320
Charge for the year	57	3	26	964	1,050
Disposals	-	-	-	(179)	(179)
At 31 March 2000	57	34	185	9,915	10,191
Net book value:					
At 31 March 2000	20,946	944	885	4,960	27,735
At 31 March 1999	19,174	927	909	4,222	25,232

10 FUTURE CAPITAL EXPENDITURE

	2000 £'000	1999 £'000
Capital expenditure on fixed assets authorised by the directors at the year end but not provided for in the accounts was as follows:		
Contracts placed	1,150	1,760

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

11 INVESTMENTS

Company

*Subsidiary
undertakings
£'000*

Cost and net book value:

At 31 March 2000 and 31 March 1999

400

Details of the subsidiaries are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Great Western Hotel (Newquay) Ltd	Ordinary shares	100%	Hotel Operator
Walter Hicks Limited	Ordinary shares	100%	Dormant
Drinklink Limited	Ordinary shares	100%	Dormant

The subsidiaries are all directly owned by the company.

12 STOCKS AND WORK IN PROGRESS

	<i>2000 £'000</i>	<i>Group 1999 £'000</i>	<i>2000 £'000</i>	<i>Company 1999 £'000</i>
Raw materials and consumables	463	429	461	429
Work in progress	14	11	14	11
Finished goods and goods for resale	2,943	2,609	2,933	2,598
	<u>3,420</u>	<u>3,049</u>	<u>3,408</u>	<u>3,038</u>

13 DEBTORS

	<i>2000 £'000</i>	<i>Group 1999 £'000</i>	<i>2000 £'000</i>	<i>Company 1999 £'000</i>
Amounts falling due within 1 year:				
Trade debtors	3,804	3,616	3,795	3,610
Other debtors	826	497	826	497
Prepayments and accrued income	143	105	142	103
	<u>4,773</u>	<u>4,218</u>	<u>4,763</u>	<u>4,210</u>
Amounts falling due after 1 year:				
Trade loans	1,175	1,020	1,175	1,020
	<u>5,948</u>	<u>5,238</u>	<u>5,938</u>	<u>5,230</u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

14 CREDITORS: amounts falling due within one year

		<i>Group</i>		<i>Company</i>
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank overdraft	5,580	2,457	5,580	2,457
Trade creditors	3,130	3,146	3,092	3,100
Amounts owed to subsidiary undertaking	-	-	975	867
Corporation tax	1,170	1,428	1,140	1,393
Advance corporation tax	-	85	-	85
Other taxation and social security	506	353	480	335
Accruals and deferred income	581	993	581	993
Proposed dividend	557	557	557	557
	<u>11,524</u>	<u>9,019</u>	<u>12,405</u>	<u>9,787</u>

The company has entered into a cross guarantee with the operating subsidiary in respect of the overdraft.

15 CREDITORS: amounts falling due after more than one year

	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Tenants deposits	<u>277</u>	<u>265</u>	<u>277</u>	<u>265</u>

The deposits become repayable on demand once the tenancy changes.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

16 PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Group</i> £'000	<i>Company</i> £'000
Deferred taxation:		
At 1 April 1999	415	308
Arising during the year	262	262
At 31 March 2000	<u>677</u>	<u>570</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows:

<i>Group</i>	<i>Provided</i>		<i>Not Provided</i>	
	<i>2000</i> £'000	<i>1999</i> £'000	<i>2000</i> £'000	<i>1999</i> £'000
Capital allowances in advance of depreciation	586	453	-	151
Capital gains tax rolled over	97	-	-	97
Other timing differences	(6)	(38)	-	-
	<u>677</u>	<u>415</u>	<u>-</u>	<u>248</u>
<i>Company</i>	<i>Provided</i>		<i>Not Provided</i>	
	<i>2000</i> £'000	<i>1999</i> £'000	<i>2000</i> £'000	<i>1999</i> £'000
Capital allowances in advance of depreciation	479	346	-	151
Capital gains tax rolled over	97	-	-	97
Other timing differences	(6)	(38)	-	-
	<u>570</u>	<u>308</u>	<u>-</u>	<u>248</u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

17 CALLED UP SHARE CAPITAL

	2000 £'000	Authorised 1999 £'000
Ordinary shares of £1 each	2,800	2,800
5% preference shares of £1 each	100	100
Non-designated shares	50	50
	<u>2,950</u>	<u>2,950</u>

	2000 thousands	1999 thousands	2000 £'000	1999 £'000
Ordinary shares of £1 each	2,322	2,600	2,322	2,600
5% preference shares of £1 each	100	100	100	100
	<u>2,422</u>	<u>2,700</u>	<u>2,422</u>	<u>2,700</u>

The preference shares carry the right to a fixed cumulative preferential dividend of 5%. On a winding up of the company, the preference shareholders have a right to receive, in priority to payments to ordinary shareholders, £1 per share plus any accrued dividend.

The preference shares carry no votes at meetings unless the dividend thereon is six months or more in arrears or the business of the meeting includes a resolution for the winding up of the company, reducing its share capital or altering the Articles to affect their rights in which event, each holder will be entitled to one vote on a show of hands or one vote per share on a poll.

On 9 April 1999, the company purchased 278,000 of its allotted £1 ordinary shares for a consideration of £2,211,000.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

18 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	<i>Share Capital</i>	<i>Capital Redemption Reserve</i>	<i>Profit & Loss Account</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 April 1998	2,700	200	19,423	22,323
Profit for the year	-	-	3,685	3,685
Dividends	-	-	(899)	(899)
At 31 March 1999	2,700	200	22,209	25,109
Prior period adjustment	-	-	(264)	(264)
At 31 March 1999 as restated	2,700	200	21,945	24,845
Profit for the year	-	-	3,902	3,902
Dividends	-	-	(911)	(911)
Arising on purchase of own shares	(278)	278	(2,211)	(2,211)
At 31 March 2000	2,422	478	22,725	25,625

<i>Company</i>	<i>Share Capital</i>	<i>Capital Redemption Reserve</i>	<i>Profit & Loss Account</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 April 1998	2,700	200	18,166	21,066
Profit for the year	-	-	3,558	3,558
Dividends	-	-	(899)	(899)
At 31 March 1999	2,700	200	20,825	23,725
Profit for the year	-	-	3,781	3,781
Dividends	-	-	(911)	(911)
Arising on purchase of own shares	(278)	278	(2,211)	(2,211)
At 31 March 2000	2,422	478	21,484	24,384

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2000

19 NOTES TO THE GROUP CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities:

	2000 £'000	1999 £'000
Operating profit	5,934	5,315
Depreciation	1,078	1,052
Loss/(profit) on sale of fixed assets	55	(132)
Increase in stock	(371)	(107)
Increase in debtors	(710)	(447)
(Decrease)/increase in creditors	(351)	949
Net cash inflow from operating activities	<u>5,635</u>	<u>6,630</u>

(b) Analysis of changes in net debt

	At 1 April 1999 £'000	Cash flows £'000	At 31 March 2000 £'000
Cash at bank and in hand	236	(6)	230
Overdraft	(2,457)	(3,123)	(5,580)
Total	<u>(2,221)</u>	<u>(3,129)</u>	<u>(5,350)</u>

20 PRIOR PERIOD ADJUSTMENT

The Group's operational subsidiary has previously revalued its freehold land and buildings. Following the introduction of Financial Reporting Standard 15: Accounting for Tangible Fixed Assets, the Group has decided not to continue with this policy but to restate these assets at their historical cost. This change in accounting policy has no effect on the profit and loss account in either 1999 or 2000. Group reserves have been reduced by £264,000 as a result of the restatement.