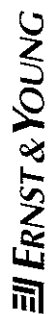


ST AUSTELL BREWERY COMPANY LIMITED

Report and Accounts

31 March 2001

 ERNST & YOUNG



St Austell Brewery Company Limited

Registered No: 107021

DIRECTORS

P R Thompson	- Chairman
S J Staughton	- Managing Director
M St C Ruthven	(retired 28 July 2000)
P P Voelcker	
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 Ninetieth Annual General Meeting of the company will be held at The Carlyon Bay Hotel, St Austell, Cornwall on 27 July 2001 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 2001.
2. To declare a dividend on the ordinary shares.
3. To re-elect T A Luck and W F Michelmores as the directors retiring by rotation.
4. To re-appoint Ernst & Young LLP 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
2 July 2001

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.

CHAIRMAN'S STATEMENT

Our winter half-year has proved to be much harder than I had forecast when writing to you with our interim results in December. At that time our pre-tax profit was ahead £84,000 at £4,810,000. In the event our winter half-year has only added £681,000 giving us a pre-tax profit of £5,491,000 against £5,759,000 last year, a fall of £268,000. In part this fall can be attributed to the atrocious weather which brought over 100 consecutive days of appreciable rainfall to the South West, in our worst winter's weather for over 50 years, and the advent of Foot and Mouth which affected trade from our two depots in Devon during March.

Despite these adverse factors turnover for the year was up 6.4% at £50,134,000. Earnings per share have risen as a consequence of the share buy-back completed last October and accordingly your Directors recommend an increase in the final dividend of 2p making a total of 43p compared to last year's payment of 39p, an increase of 10%.

Almost all trading departments participated in the increase in overall turnover and once again sales of wines and spirits have seen the largest increase with volume sales ahead by 17%.

Volume sales of our own beers remained static against a backdrop of 5.5% decline in national beer sales in the on-trade. We are optimistic that the re-branding of our core cask ales – IPA, Tinnors, Tribute and HSD – which we have just completed and the significant continued investment we are making in temperature control at the point of sale will lead to increased sales this year. The new pump clips feature our corporate logo in a new colour scheme of black, gold and white and now mirror our pub signage.

Further investment in the brewery is proceeding at this moment with the replacement of our two old Lancaster boilers, originally installed at the Brewery in the 1920's, by a new packaged boiler. The boiler is much more economical in use and because its emissions are much cleaner does not need a chimney anywhere near the height of our present one which has reached the end of its working life.

During the year two freehold properties were purchased. The Kings Head at Lane just outside Newquay joined our tenanted estate and The Victoria Inn at Salcombe on the harbourfront in South Devon bought in January joined the managed estate. No sales of our small houses were made in the year. Sales to our tenanted estate were just ahead over the year whereas sales in our managed estate were up 11%. However, controllable costs in the latter increased over the winter so that profit was down 4% over the year.

Last year I reported that we were carrying out major refurbishments at The Mill on the Exe, Exeter. These improvements were completed on schedule in the late spring of 2000 but within a few months of opening the River Exe flooded the ground floor of the building to a depth of six foot, completely ruining the new kitchen and cellar as well as the ground floor bar. The pub re-opened three months later in early December only to be flooded again to almost the same depth just before Christmas. The significant interruption to the trade reflects in our annual profit although I am pleased to report that it has now re-opened again and is trading well. A comprehensive review of flood defences has been instigated. I also reported major refurbishments to The Old Custom House, Padstow and the recently purchased Pedn-Olva Hotel, St Ives. Both of these improvements have been very successfully completed at a total cost of over £1,200,000. We believe they will serve us well in the years ahead.

On the 15th May 2001 the Brewery had the honour of being visited by HRH The Duke of Cornwall. It was a wonderful occasion for all of us and on his tour around the Brewery he was able to speak to a large number of staff. His visit during our 150th year is commemorated by a brass plaque on the wall of the Brewery beneath the brewing office. Another accolade has been the achievement of the Investors in People Award for which all our employees should be congratulated.

CHAIRMAN'S STATEMENT

The first two months of our financial year have started well. To our surprise Cornwall has not suffered much from the effects of Foot and Mouth though our trading in North Devon continues to be difficult. The opening of the Eden Project has undoubtedly helped us as it has raised the profile of Cornwall as a place to visit on holiday. With the high investment spent on the managed estate last year we believe profits from this department will increase sharply and given some reasonable weather this summer I am confident we will quickly regain the lost ground of the year now past.

For many years your Directors have discussed the possibility of changing our financial year in order to remove the anomaly of the moveable date on which Easter falls. We have now decided to do this and accordingly this year will be a nine month period ending on the 31st December 2001. As the months of January, February and March are almost neutral in profit terms this should have virtually no effect on our year end figures. The AGM in 2002 will therefore be on the 17th May.

I look forward to seeing as many shareholders as possible on the 27th July at the Carlyon Bay Hotel and conclude with my sincere thanks to all who have worked for us during the last year.

P R Thompson
Chairman

14.6.2001

St Austell Brewery Company Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2001.

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 17p has been paid on the ordinary shares. The directors recommend that a final dividend of 26p be paid on the ordinary shares.

On 6 October 2000, the company purchased 228,400 of its own allotted £1 ordinary shares for a total consideration of £2,182,000. The shares were immediately cancelled and were not entitled to the 2000 interim dividend of 17p per ordinary share.

CHARITABLE DONATIONS

The company made charitable donations during the year of £4,294.

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 2001	31 March 2001	1 April 2000	1 April 2000	31 March 2001	1 April 2000
	Beneficial	Non- beneficial	Beneficial	Non- beneficial		
P R Thompson	64,150	152,651	63,650	204,428	50	50
P P Voelcker	73,824	193,945	73,824	260,057	377	377
M St C Ruthven	6,070	-	6,070	-	-	-
T A Luck	3,415	-	3,415	-	-	-
S J Staughton	18,439	-	18,439	-	-	-
W F Michelmores	12,817	68,129	12,817	12,500	-	-

Mr M St C Ruthven retired as a director of the company on 28 July 2000.

DIRECTORS' REPORT

AUDITORS

Ernst & Young has stated that it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP, on 28 June 2001. The Directors have consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board

C J Stratton

C J Stratton
Secretary
14 June 2001

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 10 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 8, 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.

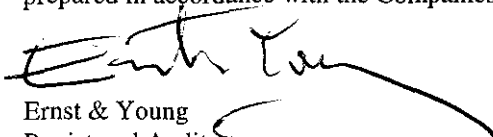
Basis of opinion

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 2001 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

14.6.2001

St Austell Brewery Company Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 March 2001

	Notes	2001 £'000	2000 £'000
TURNOVER	2	50,134	47,124
Cost of sales		(29,070)	(27,372)
Gross profit		21,064	19,752
Distribution and administration costs	3	(15,307)	(13,818)
OPERATING PROFIT	4	5,757	5,934
Interest receivable		90	57
Interest payable and similar charges	6	(356)	(232)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,491	5,759
Tax on profit on ordinary activities	7	(1,702)	(1,857)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,789	3,902
Dividends on equity and non-equity shares	8	(905)	(911)
PROFIT RETAINED FOR THE FINANCIAL YEAR		2,884	2,991

There are no recognised gains or losses for the year other than the profit for the year.

St Austell Brewery Company Limited

GROUP BALANCE SHEET

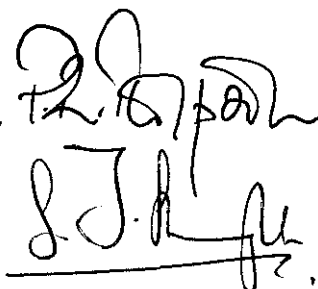
at 31 March 2001

	Notes	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	9	32,155	28,505
CURRENT ASSETS			
Stocks and work in progress	12	3,307	3,420
Debtors	13	6,128	5,948
Cash at bank and in hand		330	230
		9,765	9,598
CREDITORS: amounts falling due within one year	14	(14,406)	(11,524)
NET CURRENT LIABILITIES		(4,641)	(1,926)
TOTAL ASSETS LESS CURRENT LIABILITIES		27,514	26,579
CREDITORS: amounts falling due after more than one year	15	(378)	(277)
PROVISION FOR LIABILITIES AND CHARGES	17	(809)	(677)
		26,327	25,625
CAPITAL AND RESERVES			
Called up share capital	18	2,194	2,422
Capital redemption reserve	19	706	478
Profit and loss account	19	23,427	22,725
		26,327	25,625
Shareholders' funds:			
Equity		26,227	25,525
Non-equity		100	100
		26,327	25,625

Approved by the Board on 14 June 2001

P R Thompson
S J Staughton

}
} Directors



St Austell Brewery Company Limited

COMPANY BALANCE SHEET

at 31 March 2001

	Notes	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	9	31,313	27,735
Investments	11	400	400
		<u>31,713</u>	<u>28,135</u>
CURRENT ASSETS			
Stocks and work in progress	12	3,294	3,408
Debtors	13	6,116	5,938
Cash at bank and in hand		297	155
		<u>9,707</u>	<u>9,501</u>
CREDITORS: amounts falling due within one year	14	<u>(15,337)</u>	<u>(12,405)</u>
NET CURRENT LIABILITIES		<u>(5,630)</u>	<u>(2,904)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,083</u>	<u>25,231</u>
CREDITORS: amounts falling due after more than one year	15	(378)	(277)
PROVISION FOR LIABILITIES AND CHARGES	17	<u>(700)</u>	<u>(570)</u>
		<u>25,005</u>	<u>24,384</u>
CAPITAL AND RESERVES			
Called up share capital	18	2,194	2,422
Capital redemption reserve	19	706	478
Profit and loss account	19	22,105	21,484
		<u>25,005</u>	<u>24,384</u>
Shareholders' funds:			
Equity		24,905	24,284
Non-equity		100	100
		<u>25,005</u>	<u>24,384</u>

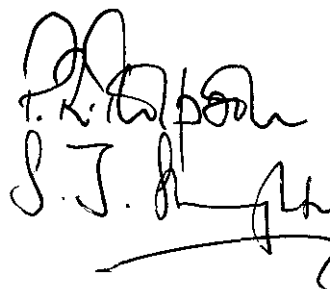
Approved by the Board on 14 June 2001

P R Thompson

S J Staughton

}

} Directors



St Austell Brewery Company Limited

GROUP CASH FLOW STATEMENT

for the year ended 31 March 2001

	Notes	2001 £'000	2000 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	20a	6,563	5,635
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		90	57
Interest paid		(348)	(229)
Preference dividends paid		(5)	(5)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(263)	(177)
TAXATION PAID		(1,683)	(1,853)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(4,708)	(3,785)
Sales of tangible fixed assets		13	167
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(4,695)	(3,618)
EQUITY DIVIDENDS PAID		(912)	(905)
CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		(990)	(918)
FINANCING			
Repurchase of own shares		(2,182)	(2,211)
Capital element of finance lease rental payments		(16)	-
NET CASH OUTFLOW FROM FINANCING		(2,198)	(2,211)
DECREASE IN CASH IN THE YEAR		(3,188)	(3,129)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		2001 £'000	2000 £'000
Decrease in cash		(3,188)	(3,129)
Cash used to repay capital element of finance lease and hire purchase payments		16	-
Change in net debt resulting from cash flows	20b	(3,172)	(3,129)
New finance leases and hire purchase contracts		(184)	-
MOVEMENT IN NET DEBT		(3,356)	(3,129)
NET DEBT AT 1 APRIL		(5,350)	(2,221)
NET DEBT AT 31 MARCH	20b	(8,706)	(5,350)

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

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 3 to 15 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 2001

2 TURNOVER

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

3 DISTRIBUTION AND ADMINISTRATIVE COSTS

	2001 £'000	2000 £'000
Distribution costs	1,695	1,577
Administrative costs	13,612	12,241
	<u>15,307</u>	<u>13,818</u>

4 OPERATING PROFIT

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

	2001 £'000	2000 £'000
Depreciation of owned fixed assets	1,230	1,078
Depreciation of assets held under finance leases and hire purchase contracts	5	-
Auditors' remuneration - Audit	19	18
- Other services	8	11
Rent receivable from properties	<u>(1,433)</u>	<u>(1,373)</u>

5 DIRECTORS AND OTHER EMPLOYEES

Remuneration of directors		
	2001 £'000	2000 £'000
Directors' emoluments	<u>211</u>	<u>319</u>

In addition £15,250 (2000 - £14,333) was paid to Michelmores, Solicitors, for the services of Mr W F Michelmores as a non-executive director.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

5 DIRECTORS AND OTHER EMPLOYEES (continued)

The aggregate of emoluments of the highest paid director was £77,427 (2000 - £109,000).

	2001 No.	2000 No.
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	2	2

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

	2001 No.	2000 No.
At the brewery and depots	218	215
At hotels and public houses	724	671
	942	886

	2001 £'000	2000 £'000
Staff costs include the following:		
Wages and salaries	7,945	7,332
Social security costs	518	463
Other pension costs	382	290
	8,845	8,085

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 2001

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £'000	2000 £'000
Bank overdraft	347	226
Other loans	9	6
	<u>356</u>	<u>232</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
Corporation tax	1,570	1,681
Deferred taxation	132	262
Prior year adjustment	-	(86)
	<u>1,702</u>	<u>1,857</u>

8 DIVIDENDS

	2001 £'000	2000 £'000
Equity dividends on ordinary shares:		
Interim paid - 17p (2000 - 15p)	356	349
Final proposed - 26p (2000 - 24p)	544	557
	<u>900</u>	<u>906</u>
Non-equity dividends on 5% preference shares:		
Interim paid	2	2
Final paid	3	3
	<u>5</u>	<u>5</u>
	<u>905</u>	<u>911</u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

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 2000	21,563	975	1,070	15,568	39,176
Additions	2,496	2	17	2,377	4,892
Disposals	(4)	-	-	(77)	(81)
At 31 March 2001	24,055	977	1,087	17,868	43,987
Depreciation:					
At 1 April 2000	58	34	185	10,394	10,671
Charge for the year	68	3	25	1,139	1,235
Disposals	-	-	-	(74)	(74)
At 31 March 2001	126	37	210	11,459	11,832
Net book value					
At 31 March 2001	23,929	940	877	6,409	32,155
At 31 March 2000	21,505	941	885	5,174	28,505

The net book value of plant, machinery and furniture etc includes an amount of £180,000 (2000 : £Nil) in respect of assets held under finance leases and hire purchase contracts.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

9 TANGIBLE FIXED ASSETS (continued)

Company

	Land and buildings			Plant, machinery & furniture etc	Total
	Freehold £'000	Long leasehold £'000	Short Leasehold £'000	£'000	£'000
Cost:					
At 1 April 2000	21,003	978	1,070	14,875	37,926
Additions	2,431	2	17	2,336	4,786
Disposals	(4)	-	-	(77)	(81)
At 31 March 2001	23,430	980	1,087	17,134	42,631
Depreciation:					
At 1 April 2000	57	34	185	9,915	10,191
Charge for the year	65	3	25	1,108	1,201
Disposals	-	-	-	(74)	(74)
At 31 March 2001	122	37	210	10,949	11,318
Net book value:					
At 31 March 2001	23,308	943	877	6,185	31,313
At 31 March 2000	20,946	944	885	4,960	27,735

The net book value of plant, machinery and furniture etc includes an amount of £180,000 (2000 : £Nil) in respect of assets held under finance leases and hire purchase contracts.

10 FUTURE CAPITAL EXPENDITURE

	2001 £'000	2000 £'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	530	1,150

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

11 INVESTMENTS

Company

*Subsidiary
undertakings
£'000*

Cost and net book value:

At 31 March 2001 and 31 March 2000

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>2001 £'000</i>	<i>Group 2000 £'000</i>	<i>2001 £'000</i>	<i>Company 2000 £'000</i>
Raw materials and consumables	353	463	351	461
Work in progress	16	14	16	14
Finished goods and goods for resale	2,938	2,943	2,927	2,933
	<u>3,307</u>	<u>3,420</u>	<u>3,294</u>	<u>3,408</u>

13 DEBTORS

	<i>2001 £'000</i>	<i>Group 2000 £'000</i>	<i>2001 £'000</i>	<i>Company 2000 £'000</i>
Amounts falling due within 1 year:				
Trade debtors	3,912	3,804	3,902	3,795
Other debtors	826	826	826	826
Prepayments and accrued income	159	143	157	142
	<u>4,897</u>	<u>4,773</u>	<u>4,885</u>	<u>4,763</u>
Amounts falling due after 1 year:				
Trade loans	1,231	1,175	1,231	1,175
	<u>6,128</u>	<u>5,948</u>	<u>6,116</u>	<u>5,938</u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

14 CREDITORS : amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank overdraft	8,868	5,580	8,868	5,580
Obligations under finance leases and hire purchase contracts (note 16)	58	-	58	-
Trade creditors	3,116	3,130	3,059	3,092
Amounts owed to subsidiary undertaking	-	-	1,016	975
Corporation tax	1,057	1,170	1,037	1,140
Other taxation and social security	365	506	357	480
Accruals and deferred income	397	581	397	581
Proposed dividend	545	557	545	557
	<u>14,406</u>	<u>11,524</u>	<u>15,337</u>	<u>12,405</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>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Obligations under finance leases and hire purchase contracts (note 16)	110	-	110	-
Tenants deposits	268	277	268	277
	<u>378</u>	<u>277</u>	<u>378</u>	<u>277</u>

The deposits become repayable on demand once the tenancy changes.

16 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>
<i>Group & Company</i>		
Amounts payable:		
Within one year	67	-
In two to five years	118	-
	<u>185</u>	<u>-</u>
Less: Finance charges allocated to future periods	(17)	-
	<u>168</u>	<u>-</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations	58	-
Non-current obligations	110	-
	<u>168</u>	<u>-</u>

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NOTES TO THE ACCOUNTS

at 31 March 2001

17 PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Group</i> £'000	<i>Company</i> £'000
Deferred taxation:		
At 1 April 2000	677	570
Arising during the year	132	130
At 31 March 2001	<u>809</u>	<u>700</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>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	£'000	£'000	£'000	£'000
Capital allowances in advance of depreciation	712	586	-	-
Capital gains tax rolled over	97	97	-	-
Other timing differences	-	(6)	-	-
	<u>809</u>	<u>677</u>	<u>-</u>	<u>-</u>
	<u><u>809</u></u>	<u><u>677</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
 <i>Company</i>	 <i>Provided</i>		 <i>Not Provided</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	£'000	£'000	£'000	£'000
Capital allowances in advance of depreciation	603	479	-	-
Capital gains tax rolled over	97	97	-	-
Other timing differences	-	(6)	-	-
	<u>700</u>	<u>570</u>	<u>-</u>	<u>-</u>
	<u><u>700</u></u>	<u><u>570</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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NOTES TO THE ACCOUNTS

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18 CALLED UP SHARE CAPITAL

	<i>Authorised</i>	
	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>
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>

	<i>Allotted, called up and fully paid</i>			
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>thousands</i>	<i>thousands</i>	<i>£'000</i>	<i>£'000</i>
Ordinary shares of £1 each	2,094	2,322	2,094	2,322
5% preference shares of £1 each	100	100	100	100
	<u>2,194</u>	<u>2,422</u>	<u>2,194</u>	<u>2,422</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 6 October 2000, the company purchased 228,400 of its allotted £1 ordinary shares for a consideration of £2,182,000.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

19 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	<i>Share Capital £'000</i>	<i>Capital Redemption Reserve £'000</i>	<i>Profit & Loss Account £'000</i>	<i>Total £'000</i>
At 1 April 1999	2,700	200	22,209	25,109
Prior period adjustment	-	-	(264)	(264)
At 1 April 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
Profit for the year	-	-	3,789	3,789
Dividends	-	-	(905)	(905)
Arising on purchase of own shares	(228)	228	(2,182)	(2,182)
At 31 March 2001	2,194	706	23,427	26,327

<i>Company</i>	<i>Share Capital £'000</i>	<i>Capital Redemption Reserve £'000</i>	<i>Profit & Loss Account £'000</i>	<i>Total £'000</i>
At 1 April 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
Profit for the year	-	-	3,708	3,708
Dividends	-	-	(905)	(905)
Arising on purchase of own shares	(278)	228	(2,182)	(2,182)
At 31 March 2001	2,194	706	22,105	25,005

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NOTES TO THE ACCOUNTS

at 31 March 2001

20 NOTES TO THE GROUP CASH FLOW STATEMENT

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

	2001 £'000	2000 £'000
Operating profit	5,757	5,934
Depreciation	1,235	1,078
(Profit)/Loss on sale of fixed assets	(6)	55
Decrease/(Increase) in stock	113	(371)
Increase in debtors	(180)	(710)
Decrease in creditors	(356)	(351)
Net cash inflow from operating activities	<u>6,563</u>	<u>5,635</u>

(b) Analysis of changes in net debt

	At 1 April 2000 £'000	Cash flows £'000	Other changes £'000	At 31 March 2001 £'000
Cash at bank and in hand	230	100	-	330
Overdraft	(5,580)	(3,288)	-	(8,868)
Finance leases and hire purchase contracts	-	16	(184)	(168)
	<u>(5,350)</u>	<u>(3,172)</u>	<u>(184)</u>	<u>(8,706)</u>