

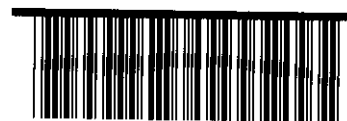
167621

ST AUSTELL BREWERY COMPANY LIMITED

Report and Accounts

31 December 2001

ERNST & YOUNG



A36
COMPANIES HOUSE

AXLMD879

0148
29/05/02

St Austell Brewery Company Limited

Registered No: 107021

DIRECTORS

P R Thompson - Chairman
S J Staughton - Managing Director
P P Voelcker
T A Luck
W F Michelmore
J B Neame (appointed 7 January 2002)

SECRETARY

C J Stratton

AUDITORS

Ernst & Young LLP
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 Ninety-First Annual General Meeting of the company will be held at the registered office, The Brewery, St Austell, Cornwall on 17 May 2002 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 period ended 31 December 2001.
2. To declare a dividend on the ordinary shares.
3. To elect J B Neame as a director following his appointment as a director during the year.
4. To re-elect S J Staughton as the director retiring by rotation.
5. To re-appoint Ernst & Young LLP as auditors for the ensuing year, and to authorise the directors of the company to fix their remuneration.
6. To transact any other ordinary business.

By order of the Board

The Brewery, St Austell, Cornwall, PL25 4BY

C J Stratton
Secretary
22 April 2002

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

In my interim statement written in early December with only three weeks to go before our changed financial year end, I reported buoyant sales to the end of November and following excellent half year figures I was able to announce that the Board had approved a 2p increase in the interim dividend to 19p per share. Sales have remained strong so that pre-tax profits for the nine months to 31 December are £6,544,000 against £5,491,000 for the previous twelve months to 31 March 2001 up 19% by £1,053,000. In the light of these very satisfactory figures your Directors are proposing to raise the final dividend by 5p to 31p making a total for the year of 50p compared to last year's payment of 43p, an increase of 16%.

Turnover for the nine months of this financial year at £48,837,000 was marginally down on the twelve months of last year but compared to the nine months to 31 December 2000 was up 17%. All trading departments participated in this growth. It is particularly pleasing to be able to report an increase in volume of 15% in the sale of our own draught beer, against a market decrease of 5.4%, following the re-branding of our core ales and the continued investment in quality control at the point of sale. The increase includes the acquisition of the Dartmoor Ale brand from Carlsberg-Tetley in April 2001. With this success in mind we have decided to trial the setting up of a small National Sales team to sell our beer throughout the UK. This team will be led by Adrian Staley who has extensive experience in this field and who for the last three and a half years has been our Retail Director. Based in London they will be selling to brewers, wholesalers and pub companies via Carlsberg-Tetley's national distribution network.

In August we purchased four freehold properties from Noble House Leisure that join our managed house estate. Three, the County Arms, Truro, the Norway Inn, Perranarworthal and the Punchbowl and Ladle, Penelewey are in or near Truro and are well known to us. The fourth, the Tap and Barrel is in Plymouth. Our managed estate has had a very successful year benefiting particularly from the major alterations that we have carried out in the last two years. By far the largest growth has been achieved at the Old Custom House, Padstow with slightly smaller increases made at the Pedn-Olva Hotel, St Ives and the Victoria Inn and Lodge, Roche. As a result this has helped the managed estate to make record profits rising by over 50% on the previous year. The tenanted estate increased sales by 6.5% and towards the end of 2001 two of our smaller tenanted houses were sold giving us a small profit over book value.

Free Trade has had another record year with sales up 13% despite continued intense competition from both national brewers and wholesalers. Since our year-end we have taken out a lease on industrial premises outside Wellington in Somerset only five miles from Taunton recently occupied by the wholesalers Jollys who went into receivership. These premises, with the existing depot manager and staff can, we believe, be developed into a very successful business and will extend our existing trading area to cover the whole of Somerset.

On the personnel side I have already reported that Adrian Staley has given up his retail role to become our new National Sales Manager. We will greatly miss his sound leadership and the excellent results of the past year bear witness to this. As a consequence Adam Luck has taken on responsibility for the entire estate as Estate Director. He will be supported by Jim Sloan who has joined us from Greene King plc with fourteen years background knowledge in the industry as our Retail Estate Manager. I am also delighted to report the appointment of Jonathan Neame as a non-Executive Director. He is Managing Director of Shepherd Neame of Faversham in Kent who are the oldest operating brewery in the country. He was appointed Managing Director in 1999 having originally trained as a barrister. He has strong family connections in Cornwall and with his background in a larger family controlled brewery operating in the South East of England his knowledge will be of great value to us.

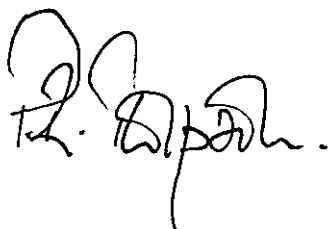
CHAIRMAN'S STATEMENT

Looking to the year ahead the first two months of our financial year, although the quietest of all our trading months, have started well. The scourge of Foot and Mouth which in the end did Cornwall no damage but seriously reduced trade in parts of Devon and Somerset has thankfully passed. The Eden Project flourishes as no one, apart from maybe its originators could have possibly envisaged. The National Maritime Museum Cornwall is due to open in Falmouth in September 2002. Objective One money is being spent to the benefit of Cornwall as a whole so that despite the worrying decline in jobs in the china clay industry, Cornwall flourishes as it has not for many years and certainly domestic tourism after 11 September is experiencing unprecedented growth and advance bookings.

To balance the optimism of the past year there is one matter which places a degree of uncertainty on the horizon. For many years this Company has offered a final salary pension scheme which benefits approximately 350 employees, both past and present. Changes in UK tax treatment of pension funds, increases in life expectancy and poor performance of the Stock Market have all combined to apply pressure upon the Company to make increased contributions to the scheme. In common with many other companies we have closed our final salary pension scheme to new joiners and have now started a money purchase scheme. This year we contributed an extra £300,000 to the final salary scheme but acknowledge that further substantial contributions will be required in future years to meet the commitments made to our employees.

I conclude with my usual but sincere thanks to all who have worked so hard to achieve another very satisfactory year.

P R Thompson
Chairman
21 March 2002



St Austell Brewery Company Limited

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 December 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 period are reviewed in detail in the Chairman's statement on page 4.

DIVIDENDS

An interim dividend of 19p was paid on the ordinary shares on 2 January 2002. The directors recommend that a final dividend of 31p be paid on the ordinary shares.

CHARITABLE DONATIONS

The company made charitable donations during the period of £3,934.

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 period and their interests in the share capital of the company were as follows:

	Ordinary Shares				Preference Shares	
	31 December 2001		1 April 2001		31 December 2001	1 April 2001
	Beneficial	Non- beneficial	Beneficial	Non- beneficial		
P R Thompson	64,484	152,651	64,150	152,651	50	50
P P Voelcker	73,824	193,945	73,824	193,945	377	377
T A Luck	3,415	-	3,415	-	-	-
S J Staughton	18,439	-	18,439	-	-	-
W F Michelmores	13,150	68,129	12,817	68,129	-	-

In addition, Mr J B Neame was appointed as a director of the company on 7 January 2002.

St Austell Brewery Company Limited

DIRECTORS' REPORT

AUDITORS

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
Secretary
21 March 2002

St Austell Brewery Company Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST AUSTELL BREWERY COMPANY LIMITED

We have audited the group's financial statements for the period ended 31 December 2001 which comprise Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Total Recognised Gains and Losses and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

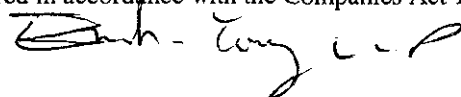
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 December 2001 and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
21 March 2002



St Austell Brewery Company Limited

GROUP PROFIT AND LOSS ACCOUNT for the period ended 31 December 2001

		31.12.2001 (9 months)	31.3.2001 (12 months)
	Notes	£'000	£'000
TURNOVER	2	48,837	50,134
Cost of sales		(27,227)	(29,070)
Gross profit		21,610	21,064
Distribution and administration costs	3	(14,847)	(15,307)
OPERATING PROFIT	4	6,763	5,757
Interest receivable		63	90
Interest payable and similar charges	6	(282)	(356)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,544	5,491
Tax on profit on ordinary activities	7	(2,034)	(1,702)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,510	3,789
Dividends on equity and non-equity shares	8	(1,052)	(905)
PROFIT RETAINED FOR THE FINANCIAL PERIOD		3,458	2,884

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

St Austell Brewery Company Limited

GROUP BALANCE SHEET

at 31 December 2001

	Notes	31.12.2001 £'000	31.3.2001 £'000
FIXED ASSETS			
Tangible assets	9	34,984	32,155
CURRENT ASSETS			
Stocks and work in progress	12	3,312	3,307
Debtors	13	7,038	6,128
Cash at bank and in hand		678	330
		11,028	9,765
CREDITORS: amounts falling due within one year	14	(15,053)	(14,406)
NET CURRENT LIABILITIES		(4,025)	(4,641)
TOTAL ASSETS LESS CURRENT LIABILITIES		30,959	27,514
CREDITORS: amounts falling due after more than one year	15	(431)	(378)
PROVISION FOR LIABILITIES AND CHARGES	17	(743)	(809)
		29,785	26,327
CAPITAL AND RESERVES			
Called up share capital	18	2,194	2,194
Capital redemption reserve	19	706	706
Profit and loss account	19	26,885	23,427
		29,785	26,327
Shareholders' funds:			
Equity		29,685	26,227
Non-equity		100	100
		29,785	26,327

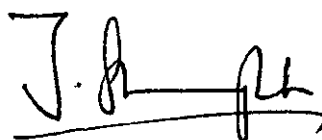
Approved by the Board on 21 March 2002

P R Thompson

S J Staughton

}

} Directors



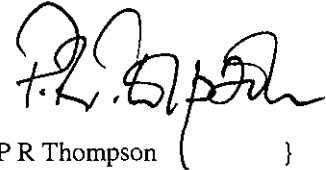
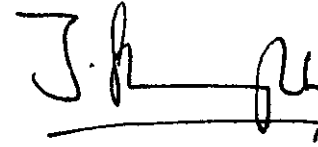
St Austell Brewery Company Limited

COMPANY BALANCE SHEET

at 31 December 2001

	Notes	31.12.2001 £'000	31.3.2001 £'000
FIXED ASSETS			
Tangible assets	9	34,154	31,313
Investments	11	400	400
		<u>34,554</u>	<u>31,713</u>
CURRENT ASSETS			
Stocks and work in progress	12	3,297	3,294
Debtors	13	7,011	6,116
Cash at bank and in hand		641	297
		<u>10,949</u>	<u>9,707</u>
CREDITORS: amounts falling due within one year	14	(16,125)	(15,337)
NET CURRENT LIABILITIES		<u>(5,176)</u>	<u>(5,630)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>29,378</u>	<u>26,083</u>
CREDITORS: amounts falling due after more than one year	15	(431)	(378)
PROVISION FOR LIABILITIES AND CHARGES	17	(634)	(700)
		<u>28,313</u>	<u>25,005</u>
CAPITAL AND RESERVES			
Called up share capital	18	2,194	2,194
Capital redemption reserve	19	706	706
Profit and loss account	19	25,413	22,105
		<u>28,313</u>	<u>25,005</u>
Shareholders' funds:			
Equity		28,213	24,905
Non-equity		100	100
		<u>28,313</u>	<u>25,005</u>

Approved by the Board on 21 March 2002

P R Thompson }
 S J Staughton } Directors

St Austell Brewery Company Limited

GROUP CASH FLOW STATEMENT for the period ended 31 December 2001

		31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
	Notes		
NET CASH INFLOW FROM OPERATING ACTIVITIES	20a	8,705	6,563
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		63	90
Interest paid		(292)	(348)
Preference dividends paid		(5)	(5)
Interest element of finance lease rental payments		(11)	-
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(245)	(263)
TAXATION PAID		(1,521)	(1,683)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(4,409)	(4,708)
Sales of tangible fixed assets		274	13
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(4,135)	(4,695)
EQUITY DIVIDENDS PAID		(545)	(912)
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING		2,259	(990)
FINANCING			
Repurchase of own shares		-	(2,182)
Capital element of finance lease rental payments		(91)	(16)
NET CASH OUTFLOW FROM FINANCING		(91)	(2,198)
INCREASE/(DECREASE) IN CASH IN THE PERIOD		2,168	(3,188)

St Austell Brewery Company Limited

GROUP CASH FLOW STATEMENT

for the period ended 31 December 2001

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Increase/(decrease) in cash		2,168	(3,188)
Cash used to repay capital element of finance lease and hire purchase payments		91	16
Change in net debt resulting from cash flows	20b	2,259	(3,172)
New finance leases and hire purchase contracts		(207)	(184)
MOVEMENT IN NET DEBT		2,052	(3,356)
OPENING NET DEBT		(8,706)	(5,350)
CLOSING NET DEBT	20b	(6,654)	(8,706)

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 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 December and the results for the period 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 December 2001

2 TURNOVER

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

3 DISTRIBUTION AND ADMINISTRATIVE COSTS

	31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Distribution costs	1,444	1,695
Administrative costs	13,403	13,612
	<u>14,847</u>	<u>15,307</u>

4 OPERATING PROFIT

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

	31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Depreciation of owned fixed assets	1,396	1,230
Depreciation of assets held under finance leases and hire purchase contracts	92	5
Auditors' remuneration - Audit	20	19
- Other services	7	8
Rent receivable from properties	<u>(1,109)</u>	<u>(1,433)</u>

5 DIRECTORS AND OTHER EMPLOYEES

Remuneration of directors

	31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Directors' emoluments	<u>160</u>	<u>211</u>

In addition £11,875 (2001 - £15,250) 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 December 2001

5 DIRECTORS AND OTHER EMPLOYEES (continued)

The aggregate of emoluments of the highest paid director was £60,539 (31.3.2001 - £77,427).

	31.12.2001 (9 months) No.	31.3.2001 (12 months) 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 period was as follows:

	31.12.2001 (9 months) No.	31.3.2001 (12 months) No.
At the brewery and depots	230	218
At hotels and public houses	851	724
	1,081	942

	31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Staff costs include the following:		
Wages and salaries	7,297	7,945
Social security costs	453	518
Other pension costs	614	382
	8,364	8,845

6 INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Bank overdraft	267	347
Finance charges payable under finance leases and hire purchase contracts	11	-
Other loans	4	9
	282	356

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Corporation tax	2,127	1,570
Deferred taxation	(67)	132
Prior year adjustment	(26)	-
	<u>2,034</u>	<u>1,702</u>

8 DIVIDENDS

	31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Equity dividends on ordinary shares:		
Interim payable - 19p (31.3.2001 - 17p)	398	356
Final proposed - 31p (31.3.2001 - 26p)	649	544
	<u>1,047</u>	<u>900</u>
Non-equity dividends on 5% preference shares:		
Interim paid	2	2
Final paid	3	3
	<u>5</u>	<u>5</u>
	<u>1,052</u>	<u>905</u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 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 2001	24,055	977	1,087	17,868	43,987
Additions	3,132	-	-	1,429	4,561
Disposals	(186)	-	-	(219)	(405)
At 31 December 2001	27,001	977	1,087	19,078	48,143
Depreciation:					
At 1 April 2001	126	37	210	11,459	11,832
Charge for the period	56	2	20	1,410	1,488
Disposals	-	-	-	(161)	(161)
At 31 December 2001	182	39	230	12,708	13,159
Net book value					
At 31 December 2001	26,819	938	857	6,370	34,984
At 31 March 2001	23,929	940	877	6,409	32,155

The net book value of plant, machinery and furniture etc includes an amount of £317,000 (31.3.2001 : £180,000) in respect of assets held under finance leases and hire purchase contracts.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

9 TANGIBLE FIXED ASSETS (continued)

Company

	<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:					
At 1 April 2001	23,430	980	1,087	17,134	42,631
Additions	3,132	-	-	1,419	4,551
Disposals	(186)	-	-	(219)	(405)
At 31 December 2001	26,376	980	1,087	18,334	46,777
Depreciation:					
At 1 April 2001	122	37	210	10,949	11,318
Charge for the period	55	2	20	1,389	1,466
Disposals	-	-	-	(161)	(161)
At 31 December 2001	177	39	230	12,177	12,623
Net book value:					
At 31 December 2001	26,199	941	857	6,157	34,154
At 31 March 2001	23,308	943	877	6,185	31,313

The net book value of plant, machinery and furniture etc includes an amount of £317,000 (31.3.2001 : £180,000) in respect of assets held under finance leases and hire purchase contracts.

10 FUTURE CAPITAL EXPENDITURE

	<i>31.12.2001</i>	<i>31.3.2001</i>
	<i>£'000</i>	<i>£'000</i>
Capital expenditure on fixed assets authorised by the directors at the period end but not provided for in the accounts was as follows:		
Contracts placed	347	530

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

11 INVESTMENTS

Company

*Subsidiary
undertakings
£'000*

Cost and net book value:

At 31 December 2001 and 31 March 2001

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>Group 31.12.2001 £'000</i>	<i>Group 31.3.2001 £'000</i>	<i>Company 31.12.2001 £'000</i>	<i>Company 31.3.2001 £'000</i>
Raw materials and consumables	271	353	269	351
Work in progress	14	16	14	16
Finished goods and goods for resale	3,027	2,938	3,014	2,927
	<u>3,312</u>	<u>3,307</u>	<u>3,297</u>	<u>3,294</u>

13 DEBTORS

	<i>Group 31.12.2001 £'000</i>	<i>Group 31.3.2001 £'000</i>	<i>Company 31.12.2001 £'000</i>	<i>Company 31.3.2001 £'000</i>
Amounts falling due within 1 year:				
Trade debtors	4,919	3,912	4,899	3,902
Other debtors	572	826	572	826
Prepayments and accrued income	296	159	289	157
	<u>5,787</u>	<u>4,897</u>	<u>5,760</u>	<u>4,885</u>
Amounts falling due after 1 year:				
Trade loans	1,251	1,231	1,251	1,231
	<u>7,038</u>	<u>6,128</u>	<u>7,011</u>	<u>6,116</u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

14 CREDITORS : amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>31.12.2001</i>	<i>31.3.2001</i>	<i>31.12.2001</i>	<i>31.3.2001</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank overdraft	7,048	8,868	7,048	8,868
Obligations under finance leases and hire purchase contracts (note 16)	118	58	118	58
Trade creditors	3,494	3,116	3,470	3,059
Amounts owed to subsidiary undertaking	-	-	1,185	1,016
Corporation tax	1,570	1,057	1,517	1,037
Other taxation and social security	1,024	365	988	357
Accruals and deferred income	752	397	752	397
Dividends - interim payable	398	-	398	-
- final proposed	649	545	649	545
	<u>15,053</u>	<u>14,406</u>	<u>16,125</u>	<u>15,337</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>31.12.2001</i>	<i>31.3.2001</i>	<i>31.12.2001</i>	<i>31.3.2001</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Obligations under finance leases and hire purchase contracts (note 16)	166	110	166	110
Tenants deposits	265	268	265	268
	<u>431</u>	<u>378</u>	<u>431</u>	<u>378</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>31.12.2001</i>	<i>31.3.2001</i>
	<i>£'000</i>	<i>£'000</i>
<i>Group & Company</i>		
Amounts payable:		
Within one year	143	67
In two to five years	166	118
	<u>309</u>	<u>185</u>
Less: Finance charges allocated to future periods	(25)	(17)
	<u>284</u>	<u>168</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations	118	58
Non-current obligations	166	110
	<u>284</u>	<u>168</u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

17 PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Group</i> £'000	<i>Company</i> £'000
Deferred taxation:		
At 1 April 2001	809	700
Arising during the period	(66)	(66)
At 31 December 2001	<u>743</u>	<u>634</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>31.12.2001</i> £'000	<i>31.3.2001</i> £'000	<i>31.12.2001</i> £'000	<i>31.3.2001</i> £'000
Capital allowances in advance of depreciation	645	712	-	-
Capital gains tax rolled over	98	97	-	-
	<u>743</u>	<u>809</u>	<u>-</u>	<u>-</u>
	<u><u>743</u></u>	<u><u>809</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<i>Company</i>	<i>Provided</i>		<i>Not Provided</i>	
	<i>31.12.2001</i> £'000	<i>31.3.2001</i> £'000	<i>31.12.2001</i> £'000	<i>31.3.2001</i> £'000
Capital allowances in advance of depreciation	536	603	-	-
Capital gains tax rolled over	98	97	-	-
	<u>634</u>	<u>700</u>	<u>-</u>	<u>-</u>
	<u><u>634</u></u>	<u><u>700</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

18 CALLED UP SHARE CAPITAL

	31.12.2001	<i>Authorised</i> 31.3.2001
	£'000	£'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>

	<i>Allotted, called up and fully paid</i>			
	31.12.2001	31.3.2001	31.12.2001	31.3.2001
	thousands	thousands	£'000	£'000
Ordinary shares of £1 each	2,094	2,094	2,094	2,094
5% preference shares of £1 each	100	100	100	100
	<u>2,194</u>	<u>2,194</u>	<u>2,194</u>	<u>2,194</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.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 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 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
Profit for the period	-	-	4,510	4,510
Dividends	-	-	(1,052)	(1,052)
At 31 December 2001	2,194	706	26,885	29,785

<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 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	(228)	228	(2,182)	(2,182)
At 31 March 2001	2,194	706	22,105	25,005
Profit for the period	-	-	4,360	4,360
Dividends	-	-	(1,052)	(1,052)
At 31 December 2001	2,194	706	25,413	28,313

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

20 NOTES TO THE GROUP CASH FLOW STATEMENT

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

	31.12.2001 (9 months) £'000	31.3.2001 (12 months) £'000
Operating profit	6,763	5,757
Depreciation	1,488	1,235
Profit on sale of fixed assets	(30)	(6)
(Increase)/decrease in stock	(5)	113
Increase in debtors	(910)	(180)
Increase/(decrease) in creditors	1,399	(356)
Net cash inflow from operating activities	<u>8,705</u>	<u>6,563</u>

(b) Analysis of changes in net debt

	At 1.4.2001 £'000	Cash flows £'000	Other changes £'000	At 31.12.2001 £'000
Cash at bank and in hand	330	348	-	678
Overdraft	(8,868)	1,820	-	(7,048)
Finance leases and hire purchase contracts	(168)	91	(207)	(284)
	<u>(8,706)</u>	<u>2,259</u>	<u>(207)</u>	<u>(6,654)</u>

21 PENSIONS

The company operates a pension scheme for the benefit of employees at the brewery and depots and for managed house managers. The defined benefit section of the scheme was closed to new members from 30 June 2001. On 1 March 2002, the company set up a separate defined contribution section of the scheme to cater for new employees.

The defined benefit section of 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 valuations using the projected unit method. The last full actuarial valuation was carried out as at 31 March 1999. This has been updated to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme as at 31 December 2001. The valuation at 31 March 1999 stated that the market value of the scheme assets was £15,370,000 and would be sufficient to cover 83% of the liabilities arising.

In accordance with the advice of the actuary following the results of the above valuation, the contributions of the company have been made at 11.2% of pensionable earnings during the period. In addition, the company made a special contribution of £300,000 during the period in order to reduce the scheme deficit.

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

21 PENSIONS (continued)

The transitional arrangements of the new accounting standard FRS 17 'Retirement Benefits' requires disclosure of assets and liabilities as at 31 December 2001 calculated in accordance with the requirements of FRS 17. For the purpose of these financial statements, these figures are illustrative only and do not impact on the actual 31 December 2001 balance sheet. The assets of the scheme have been stated at their market value at 31 December 2001 and the liabilities have been calculated using the following actuarial assumptions:

	<i>% per annum</i>
Valuation method	Projected unit
Rate of return on investments	5.75
Rate of salary increases	3.50
Rate of pension increases	3.00
Inflation rate	2.50
Discount rate	5.75

As a result of the closure to new members of the defined benefit section of the pension scheme, under the projected unit valuation method the current service cost will increase as the members of the scheme approach retirement.

Based on the assumptions above, the illustrative balance sheet figures are as follows:

	<i>Value at 31 December 2001 £'000</i>
Equities	11,903
Bonds	2,148
Other	902
Total market value of assets	14,953
Present value of scheme liabilities	18,100
Deficit in the scheme	(3,147)
Related deferred tax asset	944
Net pension deficit	(2,203)

St Austell Brewery Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

21 PENSIONS (continued)

	<i>Group 31 December 2001 £'000</i>
<i>Net assets</i>	
Net assets excluding pension deficit	29,785
Net pension deficit	(2,203)
Net assets including pension deficit	27,582
<i>Reserves</i>	
Profit and loss reserve excluding pension asset	26,885
Net pension deficit	(2,203)
Profit and loss reserve	24,682