

Company Registration Number 107021

ST AUSTELL BREWERY COMPANY LIMITED

Report and Financial Statements

29 December 2012

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ST AUSFELL BREWERY COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

CONTENTS

	Page
Officers and professional advisers	1
Notice of meeting	2
Chairman's statement	3
Directors' report	5
Directors' responsibilities statement	9
Independent auditor's report	10
Profit and loss account	11
Statement of total recognised gains and losses	12
Balance sheet	13
Cash flow statement	14
Notes to the financial statements	15

ST AUSTELL BREWERY COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

PRESIDENT

P R Thompson

DIRECTORS

W F Michelmore (Chairman)
S J Staughton (Managing Director)
T A Luck
J B Neame
G H Barnes
P M Thompson

SECRETARY

C J Stratton

REGISTERED OFFICE

The Brewery
St Austell
Cornwall
PL25 4BY

BANKERS

Barclays Bank plc
Wales & South West Team
PO Box 119
Park House
Newbrick Road
Bristol
BS34 8TN

Royal Bank of Scotland plc
3rd Floor
Temple Back East
Bristol
BS1 6BZ

AUDITOR

Deloitte LLP
Bristol

ST AUSTELL BREWERY COMPANY LIMITED

NOTICE OF MEETING

Notice is hereby given that the One Hundred and Second Annual General Meeting of the company will be held at the registered office, The Brewery, St Austell, Cornwall, on 10 May 2013 at 12 noon for the transaction of the following ordinary business of the company

- 1 To receive and consider the directors' report and financial statements for the 52 weeks ended 29 December 2012
- 2 To declare a dividend on the ordinary shares
- 3 To reappoint Deloitte LLP as auditor for the ensuing year, and to authorise the directors of the company to fix their remuneration
- 4 To transact any other ordinary business

By order of the board



C J Stratton
Secretary
The Brewery, St Austell, Cornwall, PL25 4BY

Note

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.

ST AUSTELL BREWERY COMPANY LIMITED

CHAIRMAN'S STATEMENT

Overall 2012 has been a challenging year and our financial performance reflects the tough economic conditions and the inclement weather that we have been trading in

Last September I reported to shareholders unaudited pre-tax profits up £210,000 to £3,975,000 for the first six months of the year. I am now pleased to announce that our turnover for the year exceeded £100 million for the first time in the company's history. It rose by £6,988,000 to £106,069,000, and our operating profit before other items was up by 3% to £10,492,000. Shareholders will remember at the half year we increased our interim dividend by 3p to 38p per share. Your directors are now proposing to increase the final dividend by a further 3p to 57p, making a total of 95p for the financial year, maintaining dividend cover at 4.8 times the level of post-tax profits.

The success of our own beers, which now includes Korev Lager, continues to underpin our overall performance. An increase in volumes of our draught beers of 7.5% and packaged ales of 41.7% against a market decline of 4.7% and 4.6% respectively must be regarded as particularly encouraging. A significant proportion of these increases have come from our National Sales and Wholesale divisions but, in addition, our exports to twenty countries has increased by 37% on 2011.

Our leading brand, Tribute, continues to be at the forefront of this growth but sales of Dartmoor, Trelawny and Proper Job have all enjoyed double digit increases in volumes warranting a £2 million investment in a new Cask Operations Plant which was opened in October and has already led to savings in costs and more efficient logistics.

In March at the Publican's Morning Advertiser awards, held at The Grosvenor Hotel in London, we were not only voted Regional Brewer of the Year but Tribute was also voted Regional Cask Ale of the Year.

Since my last annual statement we have purchased five pubs from Enterprise Inns including our first ever site in Bristol – The Albion, situated in the Clifton area of the city. In addition we completed major refurbishments at two sites that we purchased in 2011 – The Three Crowns at Chagford and The Globe at Topsham. Both have been fitted out to a high standard and we are very proud to have them as part of our estate and look forward to many successful years' trading at both venues. We have sold five of our smaller sites in the year as we no longer considered these sites to be appropriate for our portfolio.

Our refinancing with RBS and Barclays at the end of 2011 helped facilitate a total capital expenditure of £13.7 million which reflects the Board's policy to continue investing in the business to help drive future growth in all areas of the company. A good example of this commitment is our expansion into the free trade sector of the market in the Bristol and Bath area. As the gateway to the South West, we are keen to establish a modest foothold in this prestigious region.

The Brewery's Charitable Trust celebrated its 10th anniversary and we are proud to report that it has raised £400,000 for regional good causes since it was established.

The end of the year saw the retirement of our Honorary President Piers Thompson after fifty-two years' service to the company. He was presented with a silver salver at our recent annual Estate Awards as a token of our appreciation but I also take this opportunity, on behalf of the directors, to sincerely thank him for his commitment and loyalty for what has been a life-time dedicated to the company.

On a less positive note, the Government continues to increase the tax burden on the company through the application of the Beer Duty Escalator. The Escalator puts an additional 2% plus RPI per annum increase on the beer we brew. Beer duty has now risen by 42% since 2008. In October 2012 our Managing Director, James Staughton, was appointed as Chairman of the Independent Family Brewers of Britain (IFBB). As part of this role James will focus his attention on this significant challenge facing the industry.

This time last year we were looking ahead to a busy year of major events including the Diamond Jubilee, the European Football Championship and the Olympics. Those events, combined with the weather, proved in many cases to have a negative impact on trade, and visitor numbers to the West Country were down on previous years. It is hoped that a 'normal summer', and a return to some reasonable weather, will see the numbers of visitors being restored and trade more resilient in consequence.

The first two months of the year have met our expectations and with the combination of our recent purchase of The Real Beer Company and our sponsorship of Somerset and Gloucestershire County Cricket Clubs I am confident that we can look forward to a positive year's trading in the South West.

ST AUSTELL BREWERY COMPANY LIMITED

CHAIRMAN'S STATEMENT (continued)

I conclude with my sincere thanks to all in the company who have worked so hard to achieve another very creditable performance

A handwritten signature in black ink, appearing to read 'W. F. Michelmore', written in a cursive style.

W. F. MICHELMORE
Chairman

7 March 2013

ST AUSTELL BREWERY COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 29 December 2012

PRINCIPAL ACTIVITY

The company 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 both national and regional trade outlets

REVIEW OF ACTIVITIES

The company's key financial and other performance indicators during the year can be summarised as follows

	29 Dec 2012 £'000	31 Dec 2011 £'000	Change %
Turnover	106,069	99,081	7.1
Operating profit before other items	10,492	10,190	3.0
Profit before tax and asset sales	9,734	9,401	3.5
Profit before tax	10,350	10,304	0.4
Shareholders' funds	70,557	66,572	6.0
Net pension scheme deficit	5,612	3,930	42.8
Net debt	29,458	24,465	20.4

Please refer to the Chairman's Statement for a further review of the year and future prospects

DIVIDENDS

An interim dividend of 38p (31 December 2011: 35p) was paid on the ordinary shares on 19 October 2012. The directors recommend a final dividend of 57p be paid on the ordinary shares (31 December 2011: 54p)

GOING CONCERN

The company meets its day-to-day working capital requirements through a £5 million overdraft facility which is repayable on demand. The company's medium term debt is financed by two £12.5 million revolving credit facilities which are both due for renewal in January 2017. The company's long-term debt is financed by a £10 million term loan repayable in 2022. The current economic conditions create uncertainty particularly over (a) the level of demand for the company's products, (b) the level of interest rates as they affect the company's borrowing costs, and (c) the availability of bank finance in the foreseeable future.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they consider it is appropriate to prepare the annual report and accounts on a going concern basis.

ST AUSTELL BREWERY COMPANY LIMITED

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

In the course of its ordinary business, the company has to assess and manage the various risks that could prevent it from achieving its objectives

We set out below what the directors consider to be the main risks and uncertainties that affect the company at present

Economic

As part of the leisure and hospitality industry we are exposed to the general state of the UK economy and the level of consumer spending. The company continues to invest in its estate, its production facilities and its key beer brands in order to ensure it is able to take advantage of the opportunities open to it. However, our operations can be adversely affected by a fall in consumer spending as a consequence of a decline in the economy, a rise in unemployment or increases in taxation.

The company maintains its production processes, distribution facilities and properties to a high standard. We continually review our pubs and closely monitor how they are performing in the market.

The company's properties are located throughout the South West, many of which are in areas that rely on visitors. Adverse weather and a fall in visitor numbers can both have a significant negative impact on the performance of the company. Although we can't control the weather, we aim to ensure that our outlets are best placed to be able to attract those people visiting the region.

We use interest rate swaps to adjust interest rate exposure in order to guarantee fixed interest payments where payments are variable in order to reduce the company's exposure to adverse interest rate movements.

Regulation and the taxation of alcohol

We operate within an industry that is heavily regulated and taxed. The Government continues to increase duty by 2% above the rate of inflation through the Duty Escalator. There is a risk that these ongoing duty increases will reduce our sales and/or margins.

Brand and reputation

The company has a range of beer brands that have an excellent reputation in the market. There is a risk that unexpected events or incidents could adversely affect our brands and reputation. This risk is mitigated by a focus on quality control and staff training.

Health and safety

The health and safety of the company's employees and customers is vital to us. We report and investigate accidents and we monitor near misses. A health and safety committee meets regularly in order to oversee the wide range of the company's health and safety procedures to ensure all risks are identified and that all regulations are adhered to.

Raw material and other input costs

Raw material and utility costs are significant inputs into the business and have been the subject of significant price increases in recent years. Further increases in these cost prices could impact our profits. To mitigate this risk the company seeks to agree long term, stable prices with its suppliers.

ST AUSTELL BREWERY COMPANY LIMITED

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Pensions

The company operates several pension schemes including a defined benefit pension scheme. Although the defined benefit scheme has been closed to new members for many years there remains a significant pension liability on our balance sheet. There is also a risk from changing legislation which may increase the necessary level of future contributions to the company's pension schemes.

Site dependency

The company's main offices and sole brewing facility is based at St Austell. A disaster at this site would seriously disrupt operations. We take a variety of measures to mitigate the impact of such an event including formal and informal arrangements to use alternative facilities.

Information technology

The company puts significant reliance on its information systems. A major failure of these systems would cause significant problems for the business. This risk is mitigated by the IT department having a range of policies in place including a formal Disaster Recovery Plan, a system of back-ups both on and off site together with external hardware and software support.

ENVIRONMENT

The company has a long-term integrated and commercial environmental and energy strategy. We have identified the environmental impact of our business and we carry out environmental awareness training. We compile and implement environmental management programmes throughout our business.

CHARITABLE DONATIONS

The company made charitable donations during the period of £18,859 (31 December 2011: £14,119).

In addition, we have our own Charitable Trust that independently raises money for local good causes in the South West. This raised £48,000 during the year and has now raised £400,000 since it was first established.

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 through the Company Employee Forum. 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 practicable.

NOMINATION COMMITTEE

The Nomination Committee is chaired by W F Michelmore and comprises Mr Michelmore, Mr Barnes and Mr Neame. The committee is responsible for identifying and proposing suitable candidates as directors of the company for consideration and appointment by the Board as a whole.

ST AUSTELL BREWERY COMPANY LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS

The directors, who served during the year and subsequently, were as follows

W F Michelmore (Chairman)
S J Staughton (Managing Director)
T A Luck
J B Neame
G H Barnes
P M Thompson

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



C J Stratton
Secretary

ST AUSTELL BREWERY COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

We have audited the financial statements of St Austell Brewery Company Limited for the 52 weeks ended 29 December 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 December 2012 and of its profit for the 52 weeks then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Andrew Wright

Andrew Wright (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

28 March 2013

ST AUSTELL BREWERY COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
52 weeks ended 29 December 2012**

		52 weeks ended 29 December 2012			52 weeks ended 31 December 2011		
		Before other items*	Other items*	Total	Before other items*	Other items*	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
TURNOVER	2	106,069	-	106,069	99,081	-	99,081
Cost of sales		(61,638)	-	(61 638)	(57,003)	-	(57 003)
GROSS PROFIT		44,431	-	44,431	42,078	-	42,078
Distribution costs		(4,145)	-	(4,145)	(3 897)	-	(3,897)
Administrative costs		(29 794)	(289)	(30 083)	(27,991)	(753)	(28 744)
OPERATING PROFIT	5	10,492	(289)	10,203	10 190	(753)	9,437
Profit on sale of tangible fixed assets		616	-	616	403	500	903
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION AND INTEREST		11,108	(289)	10 819	10,593	(253)	10 340
Interest receivable and similar income		45	-	45	135	-	135
Interest payable and similar charges	4	(976)	-	(976)	(737)	-	(737)
Other finance income on pension scheme	23	-	462	462	-	566	566
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,177	173	10,350	9,991	313	10,304
Tax on profit on ordinary activities	6	(2,659)	-	(2,659)	(2,747)	2,450	(297)
PROFIT FOR THE FINANCIAL YEAR	19	7,518	173	7,691	7,244	2,763	10,007

All results relate to continuing activities

*Other items are analysed in note 8

ST AUSTELL BREWERY COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
52 weeks ended 29 December 2012

	Note	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Profit for the financial year		7 691	10 007
Actuarial loss relating to the pension scheme	23	(2,791)	(3 814)
UK deferred tax attributable to actuarial loss on pension scheme		642	953
Total recognised gains and losses relating to the year		<u>5,542</u>	<u>7,146</u>

ST AUSTELL BREWERY COMPANY LIMITED

BALANCE SHEET At 29 December 2012

	Note	At 29 December 2012		At 31 December 2011	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	9	-	-	-	-
Tangible assets	10	102,006		91,654	
Investments	11	-	-	-	-
			102,006		91,654
CURRENT ASSETS					
Stocks	12	4,336		4,238	
Debtors due within one year	13	11,664		10,227	
Debtors due after one year	13	1,754		1,758	
Cash at bank and in hand		349		441	
		18,103		16,664	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(15,941)		(14,679)	
NET CURRENT ASSETS			2,162		1,985
TOTAL ASSETS LESS CURRENT LIABILITIES			104,168		93,639
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	(27,081)		(22,536)	
PROVISIONS FOR LIABILITIES	17	(918)		(601)	
NET ASSETS EXCLUDING PENSION LIABILITY			76,169		70,502
Net pension liability	23	(5,612)		(3,930)	
NET ASSETS			70,557		66,572
CAPITAL AND RESERVES					
Called up share capital	18	1,692		1,692	
Capital redemption reserve	19	1,108		1,108	
Profit and loss account	19	67,757		63,772	
SHAREHOLDERS' FUNDS	19	70,557		66,572	

The financial statements of St Austell Brewery Company Limited, registered number 107021, were approved by the Board of Directors and authorised for issue on 7 March 2013

Signed on behalf of the Board of Directors



S J Staughton
Director

ST AUSTELL BREWERY COMPANY LIMITED

CASH FLOW STATEMENT
52 weeks ended 29 December 2012

	Note	52 weeks ended 29 December 2012		52 weeks ended 31 December 2011	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	20		12,013		14 007
Returns on investments and servicing of finance					
Interest received		45		135	
Interest paid		(961)		(792)	
Preference dividends paid		(5)		(5)	
Net cash outflow from returns on investments and servicing of finance			(921)		(662)
Taxation					
UK corporation tax paid net of refund			(2,107)		(309)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(13,719)		(15,956)	
Receipts from sales of tangible fixed assets		1 298		1,813	
Net cash outflow from capital expenditure and financial investment			(12,421)		(14 143)
Equity dividends paid			(1 557)		(1 455)
Net cash outflow before financing			(4,993)		(2 562)
Financing					
New borrowings		4 500		1,500	
Net cash inflow from financing			4,500		1,500
Decrease in cash in year	21 & 22		(493)		(1,062)

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding period.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

As further described in the Directors' Report, after making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Subsidiary undertakings

The company has taken advantage of the exemption under section 402 of the Companies Act 2006 not to prepare consolidated financial statements as each of its subsidiary undertakings is individually and collectively excluded from consolidation on the grounds of immateriality.

Intangible fixed assets – Goodwill

Goodwill is the difference between the cost of an acquired entity (including public houses) and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Goodwill arising on acquisitions is capitalised in the balance sheet at cost and is amortised over its estimated useful life of between 3 and 20 years.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off the cost less estimated residual value of each asset 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 value of tangible fixed assets is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

1 ACCOUNTING POLICIES (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion or disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance which is normally at the point of delivery. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pension costs

The company operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. The regular cost of providing retirement benefits to employees during the year is charged to operating profit in the year. The full cost of providing amendments to benefits in respect of past service is also charged to operating profit in the year. The expected return on the assets of the scheme during the year based on the market value of scheme assets at the start of the financial year is included within other finance income. This also includes a charge representing the expected increase in liabilities of the scheme during the year, arising from the liabilities of the scheme being one year closer to payment. Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the year, together with differences from changes in assumptions.

The net deficit on the defined benefit pension scheme is reported on the balance sheet within the pension liability. This is net of related deferred tax.

The company also operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs represents the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid in the year are shown either as accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

1 ACCOUNTING POLICIES (continued)

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

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

Operating lease rental income

Income is credited to the profit and loss account on a straight-line basis over the term of the lease.

Related party transactions

The company has relied upon the exemption provided by FRS 8 and has not therefore disclosed transactions with any of its subsidiary companies.

Research and development

Research and development expenditure is charged to the profit and loss account as incurred.

Interest rate swaps

The company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes. The company's criteria for interest rate swaps are:

- The instrument must be related to an asset or a liability, and
- It must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.

2 TURNOVER

Turnover represents sales net of discounts, rent receivable and services rendered from continued trading activities, excluding value added tax. The Directors consider that the business carried on by the company is that of a fully integrated regional brewer and that this constitutes one class of business. The export sales during the year were £232,000.

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 29 December 2012

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Directors' emoluments		
Emoluments	409	372
Pension contributions	45	39
	<u>454</u>	<u>411</u>
Remuneration of the highest paid director	£'000	£'000
Emoluments	159	162
Pension contributions	21	21
	<u>180</u>	<u>183</u>
There were no contributions to defined contribution pension schemes on behalf of the directors in either year		
	No	No
The number of directors who were members of a defined benefit pension scheme	<u>3</u>	<u>3</u>
Employee costs during the year	£'000	£'000
Wages and salaries	15 906	14,785
Social security costs	1,256	1,177
Other pension costs	621	540
	<u>17 783</u>	<u>16 502</u>
Average number of persons employed	No	No
Brewery and depots	288	275
Hotel and public houses	722	660
	<u>1,010</u>	<u>935</u>

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

4 INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Bank loans, overdrafts and other loans	963	724
Other loans	8	8
Preference share dividends	5	5
	<u>976</u>	<u>737</u>

5 OPERATING PROFIT

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Operating profit is stated after charging/(crediting)		
Depreciation and other amounts written off tangible fixed assets		
- owned assets	2,396	2,260
- assets held under finance leases and hire purchase contracts	-	54
Impairment of tangible fixed assets	289	517
Rent receivable from properties	(4,078)	(3 896)
Rentals under operating leases - land and buildings	258	486
	<u>£'000</u>	<u>£'000</u>
Fees payable to company auditor for the audit of the company and annual accounts	29	29
Fees payable to the company auditor for other non-audit services		
Audit related assurance services	-	1
Tax compliance services	6	5
Tax advisory services	16	507
Services related to corporate finance	-	45
Other non-audit services	1	10
Total non-audit services	<u>23</u>	<u>568</u>
Total fees paid to company auditor	<u>52</u>	<u>597</u>

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 29 December 2012

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
(a) Analysis of charge in year		
Current tax		
UK corporation tax	2 084	2,246
Adjustment in respect of prior years	(18)	(2 450)
Current corporation tax charge/(credit) for the year (note 6 (b))	2 066	(204)
Deferred tax		
Origination and reversal of timing differences	243	176
Adjustment in respect of prior years	105	39
Effect of changes in tax rates	(31)	16
	317	231
FRS 17 deferred tax movement	276	270
Total deferred tax	593	501
Tax charge on profit on ordinary activities	2,659	297

(b) Factors affecting tax charge in year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 24.5% (31 December 2011: 26.5%). The differences are as follows:

	£'000	£'000
Profit on ordinary activities before tax	10,350	10,304
	£'000	£'000
Tax on profit on ordinary activities at standard rate	2 535	2,731
Factors affecting the charge		
Disallowed expenses and non-taxable income	122	76
Differences between capital allowances and depreciation	(183)	(93)
Property disposals	(204)	(235)
Adjustment in respect of FRS 17	(182)	(237)
Short-term timing differences	(4)	4
Adjustment in respect of prior years	(18)	(2 450)
Current tax charge/(credit) for the year	2,066	(204)

The company is aware of the proposed, phased reduction in corporation tax rates to 23% by 2015 but is not aware of any factors that will materially affect the future tax charge.

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 29 December 2012

7 DIVIDENDS ON EQUITY SHARES

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Interim dividend paid of 38p per ordinary share (31 December 2011 35p)	643	592
Proposed final dividend of 57p per ordinary share (31 December 2011 54p)	965	914
	<u>1,608</u>	<u>1,506</u>

The proposed final dividend is subject to approval by the shareholders and has not been included as a liability in these financial statements

8 OTHER ITEMS

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Administrative costs		
Impairment of tangible fixed assets (note 10)	(289)	(517)
Tax advisory services (note 5)	-	(507)
Reversal of rent free accrual following acquisition of depot*	-	271
	<u>(289)</u>	<u>(753)</u>
Profit on sale of tangible fixed assets - profit on reinstatement after fire	-	500
Other finance income on pension scheme (note 23)	462	566
Tax on profit on ordinary activities - exceptional adjustment in respect of prior years (note 6)	-	2,450
	<u>173</u>	<u>2,763</u>

*This item was not included within other items in the prior year financial statements but has been reclassified in the comparative figures due to its one off nature

9 INTANGIBLE FIXED ASSETS

	Purchased goodwill £'000
Cost and amortisation	
At 1 January 2012 and 29 December 2012	<u>1,015</u>
Net book value	
At 1 January 2012 and 29 December 2012	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

10 TANGIBLE FIXED ASSETS

	Freehold	Long	Short	Plant,	Assets in	Total
	£'000	leasehold	leasehold	machinery	the course of	£'000
		£'000	£'000	and furniture	construction	
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2012	81 812	1 839	1,090	35 404	1,975	122,120
Additions	7,568	2	-	5 677	472	13 719
Disposals	(299)	-	-	(1,454)	-	(1 753)
Reclassifications	289	-	-	1 686	(1,975)	-
At 29 December 2012	89 370	1,841	1,090	41 313	472	134,086
Depreciation						
At 1 January 2012	3 963	43	471	25 989	-	30,466
Charge for the year	229	41	38	2 088	-	2 396
Impairment losses	289	-	-	-	-	289
Disposals	(9)	-	-	(1,062)	-	(1,071)
At 29 December 2012	4,472	84	509	27,015	-	32,080
Net book value						
At 29 December 2012	84,898	1,757	581	14 298	472	102 006
At 31 December 2011	77,849	1,796	619	9,415	1,975	91,654

Included within Freehold is land at a cost of £28 330 000 (31 December 2011 £26 340,000) which is not depreciated

Fixed asset impairments

The company considers each of its tenanted and managed public houses and hotels as a cash generating unit (CGU). Each CGU is reviewed annually for indicators of impairment. When indicators of impairment are identified the carrying value of the CGU is compared to the recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use.

The company estimates value in use using a discounted cash flow model. The key assumption used is the discount rate applied to cash flow projections of 6.92% (31 December 2011 6.92%).

The net impairment recognised in the profit and loss account of £289,000 (31 December 2011 £517,000) is primarily the result of reduced trading performance of the sites concerned due to a combination of site specific trading circumstances and the general economic conditions offset by a reversal of a previously recorded impairment on four CGUs.

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 29 December 2012

11 INVESTMENTS HELD AS FIXED ASSETS

	29 December 2012 £'000	31 December 2011 £'000
Cost and net book value		
At 1 January 2012 and 29 December 2012	-	-

Details of the subsidiaries are as follows

Subsidiary	Class of share held	Proportion of voting rights and shares held	Nature of business
Great Western Hotel (Newquay) Limited	Ordinary shares	100%	Dormant
Walter Hicks Limited	Ordinary shares	100%	Dormant
Drinklink Limited	Ordinary shares	100%	Dormant
Old Success Inn (Sennen) Limited	Ordinary shares	100%	Dormant
Nirvana Properties Limited	Ordinary shares	100%	Dormant

The subsidiaries are all directly owned by the company

12 STOCKS

	29 December 2012 £'000	31 December 2011 £'000
Raw materials and consumables	644	771
Work in progress	61	23
Finished goods	3 631	3,444
	<u>4,336</u>	<u>4,238</u>

In the opinion of the directors there is no material difference between the balance sheet value of stocks and their replacement cost

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

13 DEBTORS

	29 December 2012 £'000	31 December 2011 £'000
Amounts falling due within one year		
Trade debtors	9,096	7 871
Other debtors	1,584	1 505
Prepayments and accrued income	984	851
	<u>11,664</u>	<u>10,227</u>
Amounts falling due after one year		
Trade loans	1 293	1 275
Other debtors	461	483
	<u>1 754</u>	<u>1 758</u>
	<u><u>13,418</u></u>	<u><u>11,985</u></u>

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 December 2012 £'000	31 December 2011 £'000
Bank overdraft	3,807	3,406
Trade creditors	5,703	5 677
Corporation tax	784	825
Other taxation and social security	2,593	1,840
Other creditors	208	228
Accruals and deferred income	2 846	2,703
	<u>15,941</u>	<u>14,679</u>

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

15 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	29 December 2012 £'000	31 December 2011 £'000
Bank loans (note 16)	26,000	21,500
Tenants' deposits	981	936
5% preference shares of £1 each (note 18)	100	100
	<u>27,081</u>	<u>22,536</u>

16 LOANS

Loans repayable, included within creditors are analysed as follows

	29 December 2012 £'000	31 December 2011 £'000
Wholly repayable within five years	16 000	-
Not wholly repayable within five years	10 000	21 500
	<u>26 000</u>	<u>21,500</u>

Details of loans not wholly repayable within five years are as follows

	£'000	£'000
Revolving credit facilities expiring 31 January 2017	-	11 500
Term loan repayable on 18 October 2022	10,000	10 000

The rate of interest payable on the loan is 0.7% above LIBOR. The loan is unsecured and is repayable in full at the end of the term.

The rates of interest payable on the revolving credit facilities are at a rate above LIBOR depending on the leverage ratio of the company.

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 29 December 2012

17 PROVISIONS FOR LIABILITIES

Deferred tax	£'000
At 1 January 2012	601
Charged to the profit and loss account	317
At 29 December 2012	918

Deferred tax is provided as follows

	29 December 2012 £'000	31 December 2011 £'000
Capital allowances in excess of depreciation	523	254
Capital gains tax rolled over	464	405
Short-term timing differences	(69)	(58)
	918	601

18 SHARE CAPITAL

	29 December 2012 £'000	31 December 2011 £'000
Authorised		
Ordinary shares of £1 each	2 850	2 850
	2,850	2,850
5% cumulative preference shares of £1 each (note 15)	100	100
	2,950	2,950
	£'000	£'000
Allotted, called up and fully paid		
Ordinary shares of £1 each	1,692	1 692
	1,692	1 692
5% cumulative preference shares of £1 each (note 15)	100	100
	1 792	1 792

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 FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

**19 COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
AND STATEMENT OF MOVEMENTS ON RESERVES**

	Called up share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At beginning of the year	1,692	1,108	58,081	60 881
Profit for the financial year	-	-	10,007	10 007
Dividends paid	-	-	(1,455)	(1 455)
Net actuarial loss on pension scheme	-	-	(2,861)	(2,861)
At beginning of the year	1,692	1,108	63,772	66,572
Profit for the financial year	-	-	7,691	7,691
Dividends paid	-	-	(1,557)	(1,557)
Net actuarial loss on pension scheme	-	-	(2,149)	(2,149)
At end of the year	1,692	1,108	67 757	70 557

**20 RECONCILIATION OF OPERATING PROFIT TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2011 £'000
Operating profit	10,203	9,437
Impairment of tangible fixed assets	289	517
Depreciation of tangible fixed assets	2,396	2,314
(Increase)/decrease in stocks	(98)	298
Increase in debtors	(1,433)	(735)
Increase in creditors	929	2,506
Movement in pension scheme	(273)	(330)
Net cash inflow from operating activities	12,013	14,007

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

21 ANALYSIS OF THE CHANGES IN NET DEBT

	1 January 2012 £'000	Cash flows £'000	29 December 2012 £'000
Cash at bank and in hand	441	(92)	349
Bank overdraft	(3,406)	(401)	(3,807)
	<u>(2,965)</u>	<u>(493)</u>	<u>(3,458)</u>
Long-term loans	(21 500)	(4,500)	(26 000)
	<u>(24,465)</u>	<u>(4,993)</u>	<u>(29,458)</u>
Debt due			

**22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT
IN NET DEBT**

	52 weeks ended 29 December 2012 £'000	52 weeks ended 31 December 2012 £'000
Decrease in cash in the year	(493)	(1,062)
New loans	(4,500)	(1,500)
	<u>(4,993)</u>	<u>(2,562)</u>
Change in net debt resulting from cash flows		
Movement in net debt in the year	(4,993)	(2 562)
Net debt at beginning of year	(24 465)	(21 903)
	<u>(29,458)</u>	<u>(24 465)</u>
Net debt at end of year		

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

23 PENSION SCHEMES

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 assets of the defined contribution section of the scheme are held in separate trustee administered funds. Contributions made by the company during the year amounted to £190,290 (31 December 2011: £139,216). There are no unpaid contributions by the company at either period end.

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 December 2010.

In accordance with the advice of the actuary following the results of the above valuation, the contributions of the company have been made at 16.1% of pensionable earnings, the employee contributions rate remained at 7% of pensionable salary during the year.

The assets and liabilities of the defined benefit section of the scheme at 29 December 2012 and at 31 December 2011 are:

	29 December 2012 £'000	31 December 2011 £'000
Scheme assets at fair value		
Scheme assets		
Equities	24,105	21,693
Bonds	7,179	6,458
Property	1,845	1,799
Cash	283	316
Fair value of scheme assets	33,412	30,266
Present value of scheme liabilities	(40,700)	(35,506)
Defined benefit pension scheme deficit	(7,288)	(5,240)
Related deferred tax asset	1,676	1,310
Net liability in the balance sheet	(5,612)	(3,930)

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

23 PENSION SCHEMES (continued)

The amounts recognised in the profit and loss account and in the statement of total recognised gains and losses for the year are analysed as follows

	29 December 2012 £'000	31 December 2011 £'000
Recognised in the profit and loss account		
Current service cost	(431)	(401)
Recognised in arriving at operating profit	(431)	(401)
Expected return on pension scheme	2 126	2,351
Interest on obligation	(1 664)	(1 785)
Other finance income	462	566
Total recognised in the profit and loss account	31	165
Taken to the statement of total recognised gains and losses	£'000	£'000
Actual return on scheme assets	3 332	(947)
Less expected return on scheme	(2,126)	(2,351)
	1,206	(3,298)
Other actuarial losses	(3 997)	(516)
Actuarial gains and losses recognised in the statement of total recognised gains and losses	(2 791)	(3 814)
Main assumptions	%	%
Rate of increase in pensions in payment	3.00	3.00
Discount rate	4.10	4.70
Expected rates of return on scheme assets		
Equities	7.50	7.80
Bonds	4.10	4.70
Gilts	2.30	2.50
Property	7.50	7.80
Cash	1.00	3.00
Inflation assumption	2.70	2.70
Rate of salary growth	2.70	2.70
Life expectancy at age 65		
Male	86.5	86.3
Female	89.3	89.1
Life expectancy at age 45		
Male	88.3	88.2
Female	91.1	90.9

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 29 December 2012

23 PENSION SCHEMES (continued)

Changes in the present value of the defined benefit obligations are analysed as follows

	£'000
At 2 January 2011	33,739
Interest costs	1,785
Service cost	401
Contributions by scheme participants	187
Benefits paid	(1,122)
Actuarial losses	516
At 1 January 2012	35,506
Interest costs	1,664
Service cost	431
Contributions by scheme participants	180
Benefits paid	(1,078)
Actuarial losses	3,997
At 29 December 2012	40,700

The defined benefit obligation arises from plans that are wholly or partly funded

Changes in the fair value of plan assets are analysed as follows

	£'000
At 2 January 2011	31,417
Expected return on plan assets	2,351
Employer contributions	731
Benefits paid	(1,122)
Contribution by scheme participants	187
Actuarial losses on defined benefit assets	(3,298)
At 1 January 2012	30,266
Expected return on plan assets	2,126
Employer contributions	712
Benefits paid	(1,078)
Contribution by scheme participants	180
Actuarial gains on defined benefit assets	1,206
At 29 December 2012	33,412

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 29 December 2012

23 PENSION SCHEMES (continued)

Amounts for the current and previous four periods are as follows

	29 December 2012 £'000	31 December 2011 £'000	1 January 2011 £'000	2 January 2010 £'000	27 December 2008 £'000
Fair value of scheme assets	33,412	30,266	31,417	27,482	22,858
Present value of defined benefit obligations	(40,700)	(35,506)	(33,739)	(37,306)	(27,002)
Deficit in the scheme	(7,288)	(5,240)	(2,322)	(9,824)	(4,144)
Experience adjustments arising on plan liabilities	-	228	1,142	-	(303)
Experience adjustments arising on plan assets	1,206	(3,297)	1,991	2,725	(7,463)

The experience adjustment on the liabilities ignores any change in liabilities arising from a change of assumptions. If changes of assumptions are included then the actuarial loss on the liabilities for the latest year is £3,997,000.

In the 2013 financial year the company expects to make defined benefit contributions of £300,000 plus 16% of relevant pensionable salaries.

The fair value of the scheme assets as a percentage of the total assets of the defined benefit section of the scheme are set out below:

	29 December 2012 %	31 December 2011 %
Equities	72	72
Bonds	22	21
Property	5	6
Other	1	1

24 CAPITAL COMMITMENTS

	29 December 2012 £'000	31 December 2011 £'000
Contracted for but not provided in the financial statements	1,045	3,224

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 29 December 2012

25 CONTINGENT LIABILITIES

The company had no contingent liabilities at 29 December 2012 or at 31 December 2011

26 OPERATING LEASE COMMITMENTS

The company has committed to making the following payments during the next year in respect of operating leases

	Land and buildings 29 December 2012 £'000	Land and buildings 31 December 2011 £'000
Leases which expire		
- within two to five years	100	87
- after five years	177	175
	<u>277</u>	<u>262</u>

27 DERIVATIVES NOT INCLUDED AT FAIR VALUE

The company has derivatives which are not included at fair value in the accounts

	Notional amount £'000	Fair value £'000
Interest rate swap	10,000	(3,669)

Derivatives are used to manage exposure to interest rate movements on bank borrowings. The fair value is based on market values of equivalent instruments at the balance sheet date. The fair value of the above instrument has been determined using a discounted future cash flow approach in line with standard industry practice.

The interest rate swap contract has a fixed strike rate of 5.56% and the contract matures in October 2022. The contract has a fixed notional profile to maturity, with the above quoted notional amount applicable as at 29 December 2012.

ST AUSTELL BREWERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **52 weeks ended 29 December 2012**

28 TRANSACTIONS WITH RELATED PARTIES

During the year the company purchased goods in the normal course of business from Shepherd Neame Limited for £47,258 (31 December 2011: £13,171). J B Neame is a director of St Austell Brewery Company Limited and a director of Shepherd Neame Limited.

During the year the company purchased services in the normal course of business from Michelmores LLP for £84,990 (31 December 2011: £78,336). W F Michelmores is a director of St Austell Brewery Company Limited and a partner of Michelmores LLP.

The price charged was the normal market price in the case of each transaction. At the balance sheet date, the amount due to Shepherd Neame Limited was £1,326 (31 December 2011: £2,480) and the amount due to Michelmores LLP was £13,014 (31 December 2011: £33,321).

29 ULTIMATE CONTROLLING PARTY

Due to the number of shareholders there is no ultimate controlling party.

30 POST BALANCE SHEET EVENTS

As described in the Chairman's Statement, a dividend of 57p per share was declared after the year end and is therefore not provided for within the financial statements.

On 25 January 2013 the company acquired 100% of the issued share capital of The Real Beer Company Limited.