2627421

SUPERMALT UK LIMITED

Report and Accounts

31 December 2002

ERNST & YOUNG



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COMPANIES HOUSE 11/09/03

Registered No. 2627421

DIRECTORS
P Moller
U Sorensen

SECRETARY
U Sorensen

AUDITORS
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DIRECTORS' REPORT

The directors present their report and group accounts for the year ended 31 December 2002.

RESULTS AND DIVIDENDS

The group loss for the year, after taxation amounted to £4,351,639 (2001: loss £2,037,282). The directors do not recommend a dividend.

CHANGE OF NAME

On 8 July 2002 the company changed its name from Robert Cain & Company Limited to Supermalt UK Limited.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is importing and distributing malt drinks in the UK.

In June 2002, the company completed the sale of he brewing, pub estate and beer distribution businesses' trade and assets and realised an overall loss on disposal of approximately £3,482,000 including associated costs, provisions and goodwill.

The remaining business of distributing malt drinks in the UK is a smaller business but considerably more profitable.

Sales of malt drinks in the UK have grown considerably over the years and are expected to continue to do so.

Until June 2002 the company's principal activity was the brewing, canning and distribution of beers and lagers.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

J Worning	(resigned 18 October 2002)
U Sorensen	
P Friis	(resigned 18 October 2002)
B S Jensen	(resigned 15 February 2002)
O Timm	(resigned 18 October 2002)
P Moller	(appointed 18 October 2002)

None of the directors at the year end had any disclosable interest in the shares of the UK group.

EVENTS SINCE THE BALANCE SHEET DATE

Since the year end the company has incurred additional costs amounting to approximately £35,000 in relation to the above sale.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditors to the Group will be put to the Annual General Meeting.

By order of the Board

- 1 SEP 2003

Secretary

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUPERMALT UK LIMITED

We have audited the group's financial statements for the year ended 31 December 2002 which comprise Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Reconciliation of Shareholders' Funds, Group Balance Sheet, Company Balance Sheet and the related notes 1 to 21. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 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, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned 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. However, the evidence available to us was limited because the directors were unable to provide documentary evidence to confirm that they have taken adequate steps to satisfy themselves that the financial statements should be prepared on a going concern basis. There were no other satisfactory audit procedures that we could adopt in relation to this limitation.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Qualified opinion arising from disagreement about accounting treatment and limitation in audit scope

Included within fixed assets at 31 December 2001 are land and buildings, plant and machinery and fixtures and fittings relating to the company's brewery and estate of public houses amounting to £5,282,410. As described in note 4, the trade and assets and liabilities relating to these businesses were sold in June 2002. The total consideration for these assets was approximately £1,883,000 less than the carrying values at 31 December 2001. In our opinion full provision should have been made at 31 December 2001 in accordance

with FRS11. The effect of this adjustment would be to reduce the loss before tax for the year ended by 31 December 2002 by 1,883,000.

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the adequacy of the steps taken by the directors to determine that the going concern basis is appropriate, 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 2002. Except for the adjustments necessary to reflect the provision for impairment of fixed assets in the comparatives, and except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the limitation on our work relating to going concern, in our opinion the financial statements give a true and fair view of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to going concern, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Ernst & Young LLP
Registered Auditor
Liverpool

Ernst & Young LLP

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GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER			
Turnover: group and share of joint venture's turnover		14,385,292	31,352,707
Less: share of joint venture's turnover		(111,457)	(130,497)
GROUP TURNOVER	2	14,273,835	31,222,210
Cost of sales		12,057,877	27,057,536
Gross profit		2,215,958	4,164,674
Distribution costs		549,137	919,245
Administrative expenses		2,251,272	4,858,513
		(2,800,409)	5,777,758
GROUP OPERATING LOSS	3	(584,451)	(1,613,084)
Share of operating profit in joint venture		37,789	51,272
TOTAL OPERATING LOSS: GROUP AND SHARE OF JOINT VENTURE		(546,662)	(1,561,812)
Loss on disposal of tangible fixed assets	4	(3,482,572)	(12,598)
Interest payable	7	(284,700)	(410,848)
Interest receivable	8	1,947	1,204
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,311,987)	(1,984,054)
Tax charge on loss on ordinary activities	9	39,652	53,228
LOSS RETAINED FOR THE YEAR		(4,351,639)	(2,037,282)

As explained in note 4, the results for the year ended 31 December 2002 and 31 December 2001 include the results of the brewing and pub businesses which were sold in June 2002.

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2002 £	2001 £
Loss for the financial year	(4,351,639)	(2,037,282)
Total recognised gains and losses relating to the year	(4,351,639)	(2,037,282)

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RECONCILIATION OF SHAREHOLDERS' FUNDS
for the year ended 31 December 2002

	2002 £	*2001* £
Total recognised gains and losses	(4,351,639)	(2,037,282)
Goodwill reinstated on disposal of brewing, distribution and pub businesses	1,479,344	-
Movements during the year	(2,872,295)	(2,037,282)
Shareholders' funds at 1 January	92,096	2,129,378
Shareholders' funds at 31 December	(2,780,199)	92,096

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GROUP BALANCE SHEET
at 31 December 2002

	Notes	£	2002 £	£	2001 £
FIXED ASSETS					
Tangible assets	11		22,781		5,282,410
Investment in joint venture:	12				
Share of gross assets		206,545		219,786	
Share of gross liabilities		(7,651)		(21,056)	
			198,894		198,730
			221,675		5,481,140
CURRENT ASSETS					
Stocks	13		9,769		1,270,913
Debtors	14		1,114,303		6,643,421
Cash at bank and in hand			11,033		24,774
			1,135,105		7,939,108
CREDITORS: amounts falling due within one year	15		4,136,979		13,328,152
NET CURRENT LIABILITIES			(3,001,874)		(5,389,044)
TOTAL ASSETS LESS CURRENT LIABILITIES			(2,780,199)		92,096
CAPITAL AND RESERVES					
Called up share capital	16		6,000,000		6,000,000
Share premium account	17		1,500,000		1,500,000
Profit and loss account	17		(10,280,199)		(7,407,904)
EQUITY SHAREHOLDERS' FUNDS			(2,780,199)		92,096

Director

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BALANCE SHEET
at 31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	11	22,781	5,282,410
Investments	12	2,635,624	2,569,562
		2,658,405	7,851,972
CURRENT ASSETS			
Stocks	13	9,769	1,270,913
Debtors	14	1,114,303	6,643,421
Cash at bank and in hand		11,033	24,775
		1,135,105	7,939,109
CREDITORS: amounts falling due within one year	15	(6,521,276)	(15,646,472)
NET CURRENT LIABILITIES		(5,386,171)	(7,707,363)
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,727,766)	144,609
CAPITAL AND RESERVES			
Called up share capital	16	6,000,000	6,000,000
Share premium account	17	1,500,000	1,500,000
Revaluation reserve	17	(2,148,981)	(2,215,043)
Profit and loss account	17	(8,078,785)	(5,140,348)
EQUITY SHAREHOLDERS' FUNDS		(2,727,766)	144,609

Director

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NOTES TO THE ACCOUNTS
at 31 December 2002

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of the investment in the subsidiary undertaking and in accordance with applicable accounting standards.

In preparing the financial statements for the current year, the company has adopted FRS 19 'Deferred Tax'. The adoption of FRS 19 has resulted in a change in accounting policy for deferred tax. Deferred tax is recognised on a full provision basis in accordance with the accounting policy described below. Previously, deferred tax was provided for on a partial provisions basis, whereby provision was made on all timing differences to the extent that they were expected to reverse in the future without replacement.

This change in accounting policy has had no impact on shareholders' funds, the tax charge or the provision for deferred tax in the year ended 31 December 2002. Profit for the current year is unchanged as a result of the change in accounting policy.

Basis of consolidation

The Group accounts consolidate the accounts of Supermalt UK Limited and its subsidiary undertaking, drawn up to 31 December each year. No profit and loss account is presented for Supermalt UK Limited as permitted by section 230 of the Companies Act 1985.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures and are accounted for using the gross equity method.

Related party disclosures

The company has taken advantage of the exemption in paragraph 3 of Financial Reporting Standard No 8, 'Related Party Disclosures', from disclosing transactions with related parties that are part of The Danish Brewery Group A/S or investees of the group.

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1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost or construction cost, together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the time of acquisition, of each asset evenly over its expected useful life as follows:

Buildings	-	over 50 years
Plant and machinery	-	over 5 to 8 years
Motor vehicles	-	over 5 years
Fixtures and fittings	-	over 8 years

Incomplete projects are not depreciated until completed and the assets are brought into use.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investments

The investment in the subsidiary undertaking is valued in the parent undertaking balance sheet at its net asset value at the period end.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

- Provision is made for tax gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

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1. ACCOUNTING POLICIES (continued)

Goodwill

Goodwill represents the excess of purchase consideration over the fair value of the underlying net assets acquired. Goodwill arising on acquisitions prior to 31 December 1997 was set off directly against reserves. Goodwill treated in such a manner has not been reinstated on implementation of FRS 10. If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves is reinstated and taken into account in determining the profit or loss on sale or closure.

Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

Until the sale of the brewing, distribution and pub estate businesses, the group operated a defined contribution pension scheme. Contributions payable in accordance with the rules of the scheme for the accounting period were charged to the profit and loss account.

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard Number 1 (Revised 1996) Cash Flow Statements not to prepare a cash flow statement as it is a wholly owned subsidiary undertaking.

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2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties for goods and services supplied.

Turnover since July 2002 is attributable to the import and distribution of malt drinks. Prior to this date, the company was also involved in brewing and canning beers and lagers.

An analysis of turnover by geographical market is given below:

	2002	*2001*
	£	£
United Kingdom	13,899,069	30,568,697
Denmark	315,885	405,009
Ireland	58,880	248,504
	14,273,834	31,222,210

3. OPERATING LOSS

This is stated after charging:

		2002 £	*2001* £
Auditors' remuneration	- audit	11,700	19,350
	- non audit	23,000	9,625
Depreciation of owned tangible fixed assets		320,311	683,992
Operating lease rentals	- plant and machinery	77,264	138,355
	- land and buildings	41,699	31,120

4. EXCEPTIONAL LOSS ON DISPOSAL OF FIXED ASSETS

The sale of the brewing, distribution and pub estate businesses on 30 June 2002 resulted in a loss of disposal which can be summarised as follows.

	£000
Net book value of assets disposed (at June 2002)	
Brewery	1,813
Pubs	1,615
Plant and machinery	1,450
Motor vehicles	50
Fixtures and fittings	62
	4,990
Goodwill previously written off directly to reserves	1,479
	6,469
Proceeds	(3,400)
Loss on disposal	3,069
Associated disposal costs	413
Total loss on disposal	3,482

In the opinion of the directors, the sale of the brewing, distribution and pub businesses do not constitute discontinued operations as the financial results of these businesses are not clearly distinguishable for financial reporting purposes are not identifiable separately from the accounting records.

According to un-audited management information, the turnover for the six months to 31 December 2002 amounted to approximately £2,189,000 and the loss before taxation was approximately £148,000.

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5. DIRECTORS' REMUNERATION

	2002 £	2001 £
Emoluments	87,701	88,712
Pension contributions	-	7,000
	87,701	95,712
Compensation for loss of office	30,000	95,000

At 31 December 2002 there are no directors to whom retirement benefits are accruing in respect of qualifying services under money purchase pension schemes.

6. STAFF COSTS

	2002 £	2001 £
Wages and salaries	1,011,517	1,983,649
Social security costs	78,509	181,116
Other pension costs	36,563	102,268
	1,126,589	2,267,033

The monthly average number of employees during the period was as follows:

	2002 No.	2001 No.
Production	22	53
Sales and distribution	48	51
Office and administration	5	13
	75	117

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7. INTEREST PAYABLE

	2002 £	*2001* £
Bank loans and overdrafts	284,700	410,848
Share of joint venture's interest	-	-
	284,700	410,848

8. INTEREST RECEIVABLE

	2002 £	*2001* £
Group interest receivable	1,891	876
Share of joint venture's interest	56	328
	1,947	1,204

9. TAX

a) Tax on loss on ordinary activities

The taxation charge is made up as follows:

	2002 £	*2001* £
Current tax		
Based on the result for the year:		
Corporation tax at 30%	28,300	40,728
Corporation tax under-provided in previous years	-	-
	28,300	40,728
Share of joint venture's tax:		
Corporation tax	11,352	12,500
Total current tax (note 9(b))	39,652	53,228
Deferred taxation	-	-
Tax on loss on ordinary activities	39,652	53,228

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9. TAX (continued)

b) Factors affecting the current year tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2001 - 30%). The differences are reconciled below:

	2002 £	*2001* £
Loss on ordinary activities before tax	(4,311,987)	(1,984,054)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	(1,293,596)	(595,216)
Effects of:		
Expenses not deductible for tax purposes including goodwill reinstated on disposal of businesses	490,035	80,941
Accelerated capital allowances	317,255	21,654
Indexation allowance	216,952	-
Unrelieved tax losses	311,467	554,134
Marginal relief	(4,068)	(5,158)
Other	1,607	(3,127)
Current tax charge for the year (note 9(a))	39,652	53,228

c) Factors that may affect future tax charges

At 31 December 2001 Supermalt UK Limited possessed corporation tax losses arising from the brewing, distribution and pub estate businesses. As a result of the sale of the trade, assets and liabilities of these businesses, these losses will no longer be available to the company to offset against trading profits which arise. Therefore no deferred tax asset for these losses has been recognised.

Group policy is for group relief between UK companies not to be claimed.

Due to the loss making position of the company, no deferred tax asset has been recognised in accordance with FRS19 (note 9(d)).

d) Unrecognised deferred tax

Group and company

The unrecognised deferred tax asset is as follows:

	2002 £	*2001* £
Accelerated capital allowances	(93,305)	1,021,425
Short term timing differences	(4,275)	(2,285)
Tax losses carried forward	(311,467)	(2,455,349)
	(409,047)	(1,436,209)

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10. RESULT DEALT WITH IN THE ACCOUNTS OF THE PARENT UNDERTAKING

The loss dealt with in the accounts of the parent undertaking was £2,938,437 (2001 £2,134,172 loss).

11. TANGIBLE FIXED ASSETS

Group and company	*Freehold land and buildings* £	*Plant and machinery* £	*Motor vehicles* £	*Fixtures and fittings* £	*Total* £
Cost:					
At 1 January 2002	3,180,459	6,299,761	109,130	1,726,714	11,316,064
Additions	30,720	-	19,544	6,392	56,656
Disposals	(3,211,179)	(6,299,761)	(109,130)	(1,729,699)	(11,349,769)
At 31 December 2002	-	-	19,544	3,407	22,951
Depreciation:					
At 1 January 2002	506,200	4,660,491	50,820	816,143	6,033,654
Provided during the year	31,805	189,227	10,913	88,366	320,311
Disposals	(538,005)	(4,849,718)	(61,733)	(904,339)	(6,353,795)
At 31 December 2002	-	-	-	170	170
Net book value:					
At 31 December 2002	-	-	19,544	3,237	22,781
At 31 December 2001	2,674,259	1,639,270	58,310	910,571	5,282,410

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12. INVESTMENTS

Group

	£
Joint venture	
At 1 January 2002	198,730
Share of profit	26,489
Dividend received	(26,325)
At 31 December 2002	198,894

Company

	Joint venture £	*Other fixed asset investments* £	*Total* £
Cost or valuation:			
At 1 January 2002	251,243	2,318,319	2,569,562
Revaluation	-	66,062	66,062
At 31 December 2002	251,243	2,384,381	2,635,624
Amounts provided:			
At 1 January 2002 and 31 December 2002	-	-	-
Net book value:			
At 31 December 2002	251,243	2,384,381	2,635,624
At 1 January 2002	251,243	2,318,319	2,569,562

The group and the company have one joint venture, Vitamalt (West Africa) Limited, registered in England and Wales, which is engaged in the development of the 'Vitamalt' malt drink brand in Nigeria, Benin, Burkina Faso, Ghana, Liberia, Mali and Niger. At 31 December 2002 the company holds 5,000 shares, each with a nominal value of £1, representing 50% of the issued share capital of Vitamalt (West Africa) Ltd and has 50% of the voting rights.

At 31 December 2002 the group share in the net assets of Vitamalt (West Africa) Limited of £198,894 (2001: £198,730) consisted of intangibles of £163,310 (2201: £175,872), current assets of £43,235 (2001:£43,915) and liabilities less than one year of £7,651 (2001: £21,057).

Supermalt UK Limited has one wholly owned subsidiary undertaking, Faxe UK Limited, registered in England and Wales. The subsidiary undertaking is no longer trading but earns interest on group balances.

The investment in the subsidiary undertaking is stated at the net asset value. The historical cost of the investment included at valuation is as follows:

	2002 £	*2001* £
At 31 December	4,533,361	4,533,361

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13. STOCKS

Group and company

	2002	*2001*
	£	£
Raw materials and consumables	-	230,680
Work in progress	-	111,278
Finished goods and goods for resale	9,769	928,955
	9,769	1,270,913

14. DEBTORS

Group and company

	2002	*2001*
	£	£
Trade debtors	982,473	6,424,832
Amounts due from joint venture	-	22,494
Other debtors	10,594	78,851
Prepayment and accrued income	121,236	117,244
	1,114,303	6,643,421

15. CREDITORS: amounts falling due within one year

	Group		*Company*	
	2002	*2001*	*2002*	*2001*
	£	£	£	£
Bank loan	-	3,000,000	-	3,000,000
Bank overdraft	279,264	4,209,995	279,264	4,209,995
Trade creditors	407,229	1,167,388	407,229	1,167,388
Amounts due to parent undertaking	2,996,929	2,350,485	2,996,929	2,350,485
Amounts due to subsidiary undertaking	-	-	2,412,681	2,359,047
Corporation tax	28,300	40,728	-	-
Other taxes and social security costs	119,438	2,010,172	119,438	2,010,172
Other creditors	-	11,623	-	11,623
Accruals	305,819	537,761	305,735	537,762
	4,136,979	13,328,152	6,521,276	15,646,472

The facility provided by the group's bankers is a £4,500,000 revolving loan facility, is unsecured and has no terms for renewal.

Amounts due to parent undertaking consists of a loan of £1,500,000 (2001 - £1,500,000) which has no formal repayment terms, and a trading balance of £1,496,929 (2001 - £850,485) which is paid under normal commercial terms.

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16. SHARE CAPITAL

	Authorised		Allotted called up and fully paid	
	2002	2001	2002	2001
	No	No	£	£
Ordinary shares of £1 each	6,000,000	6,000,000	6,000,000	6,000,000

17. RESERVES

Group

	Share premium account	Profit and loss account
	£	£
At 1 January 2001	1,500,000	(5,370,622)
Loss for the year	-	(2,037,282)
At 1 January 2002	1,500,000	(7,407,904)
Loss for the year	-	(4,351,639)
Goodwill reinstated on disposal of brewing, distribution and pub businesses	-	1,479,344
At 31 December 2002	1,500,000	(10,280,199)

The cumulative amount of goodwill written off at 31 December 2002 is £nil (2001 - £1,479,344).

Company

	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
At 1 January 2001	1,500,000	(2,310,074)	(3,006,176)
Surplus on revaluation of investment	-	95,031	-
Loss for the year	-	-	(2,134,172)
At 31 December 2001	1,500,000	(2,215,043)	(5,140,348)
Surplus on revaluation of investment	-	66,062	-
Loss for the year	-	-	(2,938,437)
At 31 December 2002	1,500,000	(2,148,981)	(8,078,785)

18. PENSION COMMITMENTS

Until the sale of the brewing, distribution and pub estate businesses, the group operated a defined contribution pension scheme. Contributions payable in accordance with the rules of the scheme for the accounting period were charged to the profit and loss account. There were no unpaid contributions at the year end.

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19. OTHER FINANCIAL COMMITMENTS

Group and company

At 31 December 2002 there were annual commitments under non - cancellable operating leases as set out below:

	Land and buildings			*Other*
	2002	*2001*	*2002*	*2001*
	£	£	£	£
Operating leases which expire:				
within one year	8,850	-	-	32,120
within two to five years	-	31,120	-	85,163
	8,850	31,120	-	117,283

20. PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of The Danish Brewery Group A/S, which is incorporated in Denmark. Group accounts may be obtained from Torvegade 35 Fakse, DK-4640, Denmark.

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