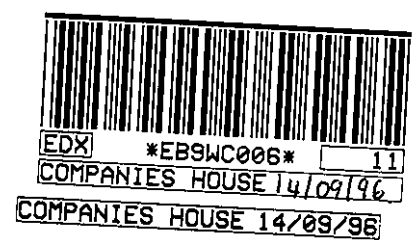


Company Number: 32311

HOME BREWERY PLC  
REPORT AND ACCOUNTS 1996



Directors' Report

The directors submit their report and the audited accounts for the year ended 28 April 1996.

Principal Activity and Future Developments

With effect from the close of business on 3 May 1987, all the trade, assets and liabilities of the Company were transferred to Scottish & Newcastle plc.

The Company has been appointed an agent for Scottish & Newcastle plc. However, the Company has not traded during the year on its own account nor as an agent for Scottish & Newcastle plc. The Company has made neither a profit nor a loss and therefore no Profit or Loss Account is attached. The directors do not foresee any significant change in the nature of the Company status.

Statement of Directors' Responsibilities in Respect of the Accounts

Company law requires the Directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company 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 its 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 to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

## Directors

The following served as directors during (and, unless otherwise indicated, throughout) the year:-

R J W Alexander (resigned 18 August 1995)  
I T Copeland  
G G Dickson  
G D Kendrick (appointed 18 August 1995)  
K Lowery  
G D N Miller  
G F F Oliver  
C Williamson


The Directors' interests in 20p Ordinary Shares of Scottish & Newcastle plc (including options granted under the terms of the United Kingdom employee share schemes to subscribe for Ordinary Shares) at 1 May 1995 (or appointment, if later) and at 28 April 1996 were as follows:-

|              | 28 April 1996 |                | 1 May 1995    |                |
|--------------|---------------|----------------|---------------|----------------|
|              | <u>Shares</u> | <u>Options</u> | <u>Shares</u> | <u>Options</u> |
| I T Copeland | 1,857         | 3,592          | 2,386         | 3,541          |
| G G Dickson  | 12,278        | 160,961        | 11,296        | 131,671        |
| G D Kendrick | -             | 40,315         | -             | 37,067         |
| K Lowery     | 1,274         | 9,611          | 2,302         | 9,099          |
| G D N Miller | 10,857        | 12,617         | 2,611         | 28,357         |
| G F F Oliver | 4,291         | 4,792          | 3,509         | 5,313          |
| C Williamson | 2,744         | 28,287         | 3,252         | 36,814         |

## Auditors

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By Order of the Board

  
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N R Homer  
Secretary  
28 June 1996

## REPORT OF THE AUDITORS

to the members of Home Brewery PLC

We have audited the accounts on pages 5 to 7, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

### **Respective Responsibilities of Directors and Auditors**

As described on page 2, the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

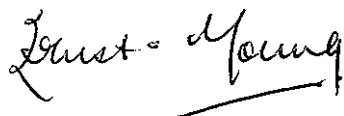
### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 28 April 1996 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Edinburgh


28 June 1996

HOME BREWERY PLC

Company Number: 32311

Balance Sheet at 28 April 1996

|                             |   | <u>1996</u><br>£     | <u>1995</u><br>£     |
|-----------------------------|---|----------------------|----------------------|
| <u>Current Assets</u>       |   |                      |                      |
| Debtors                     |   | <u>5,980,829</u>     | <u>5,980,829</u>     |
| <u>Capital and Reserves</u> |   |                      |                      |
| Called up Share Capital     | 2 | 5,980,800            | 5,980,800            |
| Profit & Loss Account       |   | 29                   | 29                   |
|                             |   | <u>5,980,829</u>     | <u>5,980,529</u>     |
| Shareholders Funds:         |   |                      |                      |
| Equity                      |   | <div>4,500,029</div> | <div>4,500,029</div> |
| Non-equity                  |   | <div>1,480,800</div> | <div>1,480,800</div> |
|                             |   | <u>5,980,829</u>     | <u>5,980,829</u>     |

  
.....

Director  
28 June 1996

Notes to the Accounts at 28 April 1996

1. These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.
2. The Share Capital is as follows:-

Authorised

|                                 | <u>1996</u>      | <u>1995</u>      |
|---------------------------------|------------------|------------------|
| <u>Equity Share Capital</u>     |                  |                  |
| Ordinary Shares of 25p each     | 4,325,000        | 4,325,000        |
| "S" Ordinary Shares of 25p each | 375,000          | 375,000          |
|                                 | <u>4,700,000</u> | <u>4,700,000</u> |
| <u>Non-Equity Share Capital</u> |                  |                  |
| Cumulative Preference Shares    | 1,800,000        | 1,800,000        |
| TOTAL                           | <u>6,500,000</u> | <u>6,500,000</u> |

Issued and Fully Paid

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
| <u>Equity Share Capital</u>     |                  |                  |
| Ordinary Shares of 25p each     | 4,125,000        | 4,125,000        |
| "S" Ordinary Shares of 25p each | 375,000          | 375,000          |
|                                 | <u>4,500,000</u> | <u>4,500,000</u> |
| <u>Non-Equity Share Capital</u> |                  |                  |
| Cumulative Preference Shares    | 1,480,800        | 1,480,800        |
| TOTAL                           | <u>5,980,800</u> | <u>5,980,800</u> |

"S" Ordinary Shares and Ordinary Shares

The "S" Ordinary Shares rank *pari passu* with Ordinary Shares except that the holders of such "S" Ordinary Shares shall be entitled on a poll to 5 votes for each such share held.

Cumulative Preference Shares

The shares are 5.75% (now 4.025% plus tax) Cumulative Preference Shares and confer on the holders priority in the payment of dividends and repayment of capital. The dividends are at the fixed rate indicated. On a winding up the holders are entitled to a repayment of the amount paid up on their shares. The holders of Preference Shares are not normally entitled to attend or vote at general meetings of the Company, unless the Preference dividends are six months in arrears or if a resolution is to be proposed which affects the rights of the Preference Shares.

3. During the year ended 28 April 1996, Preference Dividend of £59,602 has been waived by Scottish & Newcastle plc. During the previous year, Preference Dividend of £59,602 was similarly waived.
4. The ultimate parent undertaking is Scottish & Newcastle plc, a company registered in Scotland. Copies of the accounts of Scottish & Newcastle plc can be obtained from Abbey Brewery, 111 Holyrood Road, Edinburgh, EH8 8YS.
5. The Company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.