

**UNITED DISTILLERS FRANCE LIMITED**  
**REGISTERED NUMBER: 132 792**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1994**

**REGISTERED OFFICE**

39 Portman Square  
London  
W1H 0EE



## **UNITED DISTILLERS FRANCE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994**

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 1994.

#### **PRINCIPAL ACTIVITY**

The Company did not trade during the year. On the 12 August 1994 all assets and liabilities were transferred to United Distillers France SA in exchange for shares.

#### **RESULTS AND TRANSFER TO RESERVES**

The profit attributable to shareholders amounted to FFr Nil, (1993 : FFr 43,701,000 transferred to reserves).

#### **TANGIBLE FIXED ASSETS**

The Company has no tangible fixed assets.

#### **DIVIDENDS**

The Directors do not propose a dividend.

#### **DIRECTORS' INTERESTS**

The name of the present Directors of the Company are set out below:

C de Jouvencel

J M Bremner

J D Morris

M C Keiller

(Appointed 22 August 1994)

(Appointed 22 August 1994)

# UNITED DISTILLERS FRANCE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994 (CONTINUED)

### DIRECTORS' INTERESTS (CONTINUED)

No Director had an interest in shares or debentures of the Company, any subsidiary undertaking or any subsidiary of the parent undertaking with the exception of non-beneficial interests in certain related companies as nominee and beneficial interests in the ordinary shares of the ultimate parent undertaking, Guinness PLC, as set out below:

	<u>At 31 December 1994</u>		<u>At 1 January 1994</u>	
	<u>Ordinary shares</u>	<u>Options over ordinary shares</u>	<u>Ordinary shares</u>	<u>Options over ordinary shares</u>
C de Jouvencel	2,955	46,431	1,015	31,830
J M Bremner	9,942	26,940	6,377	24,137
M C Keiller	7,294	79,737	7,294 *	74,849 *
J D Morris	266	-	338 *	-

\*At date of appointment

During the year, the following movements in options over the ordinary shares of Guinness PLC took place:

	<u>Options granted during 1994 or since date of appointment</u>		<u>Options exercised during 1994 or since date of appointment</u>	
	<u>Number</u>	<u>Price</u>	<u>Number</u>	<u>Price</u>
C de Jouvencel	14,601	4.76	-	-
J M Bremner	2,976	4.76	3,056	2.355
	2,883	3.59		
M C Keiller	961	3.59	1,528	2.355

The options outstanding at 31 December 1994 have been granted under Group employee share participation schemes (including the Executive Share Option Scheme and the Savings Related Share Option Scheme) and are exercisable at varying dates between 1995 and 2004 at varying prices between 127p and 548.5p.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 to prepare statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the financial year.

The Directors consider that in preparing the financial statements on pages 5 to 11, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

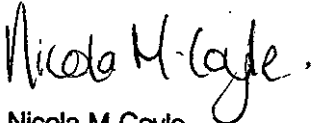
**UNITED DISTILLERS FRANCE LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED  
31 DECEMBER 1994 (CONTINUED)**

**AUDITORS**

Price Waterhouse have expressed their willingness to continue in office and a resolution concerning their re-appointment will be submitted at the Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'Nicola M. Coyle'.

Nicola M Coyle  
Secretary  
23 October 1995

*Price Waterhouse*



## **AUDITORS' REPORT TO THE MEMBERS OF UNITED DISTILLERS FRANCE LIMITED**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described above, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 1994 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

**PRICE WATERHOUSE**  
Chartered Accountants  
and Registered Auditors

23 October 1995

## **UNITED DISTILLERS FRANCE LIMITED**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994**

	<u>1994</u> FFr'000	<u>1993</u> FFr'000
<b>TURNOVER</b> (Note 2)	-	618,234
Net operating costs (Note 3)	-	(565,546)
<b>OPERATING PROFIT</b>	-	52,688
Net interest expense (Note 4)	-	(8,965)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	-	43,723
Taxation on profit on ordinary activities (Note 5)	-	(22)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED EARNINGS</b> (Note 14)	-	43,701

A statement of the movements on reserves is provided in note 14 to the financial statements.

The notes on pages 7 to 11 form part of these financial statements.

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 1994**

The Company had no recognised gains or losses during the year other than those reflected in the profit and loss account.

### **NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 1994**

The reported profits for the year have been presented on a historical cost basis.

# UNITED DISTILLERS FRANCE LIMITED

## BALANCE SHEET - 31 DECEMBER 1994

	<u>1994</u> FFr'000	<u>1993</u> FFr'000
<b>FIXED ASSETS</b>		
Investments (Note 8)	<u>121,872</u>	<u>4,039</u>
<b>CURRENT ASSETS</b>		
Stocks (Note 9)	-	5,583
Debtors (Note 10)	-	326,283
Cash at bank and in hand	-	<u>1,266</u>
	-	<u>333,132</u>
<b>CREDITORS - Amounts falling due within one year (Note 11)</b>	-	<u>(213,599)</u>
<b>NET CURRENT ASSETS</b>	-	<u>119,533</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	-	<u>123,572</u>
<b>PROVISION FOR LIABILITIES AND CHARGES (Note 12)</b>	-	<u>(1,700)</u>
<b>NET ASSETS</b>	<u>121,872</u>	<u>121,872</u>
<b>SHAREHOLDERS' FUNDS</b>		
Called up share capital (Note 13)	121,594	121,594
Other reserves	212	212
Profit and loss account (Note 14)	<u>66</u>	<u>66</u>
	<u>121,872</u>	<u>121,872</u>

The notes on pages 7 to 11 form part of these financial statements.

APPROVED BY THE BOARD ON  
23 October 1995

M C Keiller  
DIRECTOR



## **UNITED DISTILLERS FRANCE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994**

#### **1 ACCOUNTING POLICIES**

##### **(1) Basis of accounting**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting and financial reporting standards.

##### **(2) Foreign currencies**

Monetary assets and liabilities in foreign currencies have been translated using the rates of exchange ruling at the balance sheet date or, where forward exchange contracts have been entered into, the rates of exchange forming the basis of the contracts. Exchange differences arising from currency conversions in the normal course of trading are dealt with in the profit and loss account.

##### **(3) Leases**

Annual rentals on all operating leases are charged to the profit and loss account. The Company has no finance leases.

##### **(4) Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents the invoiced cost of goods purchased for resale, customs duties where applicable and transport costs to the receiving warehouse.

#### **2 TURNOVER**

Turnover represents the invoice value including duties where applicable but excluding value added tax. The Company carries on its business wholly in France and all sales are made to customers resident in the French Republic.



# UNITED DISTILLERS FRANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994 (CONTINUED)

### 3 NET OPERATING COSTS

	<u>1994</u> FFr'000	<u>1993</u> FFr'000
Raw materials and consumables	-	337,687
Customs and excise duties	-	68,562
Staff costs (Note 6)	-	-
Other operating charges	-	241,739
Change in stocks of finished goods and work in progress	-	20,388
Other operating income	<u>-</u>	<u>(102,830)</u>
	-	565,546
	<u>-</u>	<u>-</u>

Operating costs include the following:

Directors' emoluments (Note 7)	-	-
Auditors' remuneration	-	150
Other operating leases	-	-
Provision for diminution in value of investment	<u>-</u>	<u>(448)</u>

### 4 NET INTEREST EXPENSE

	<u>1994</u> FFr'000	<u>1993</u> FFr'000
Interest on short term loan repayable within five years	-	9,087
Less: interest receivable	<u>-</u>	<u>(122)</u>
	-	8,965
	<u>-</u>	<u>-</u>

### 5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

No corporation tax was payable in 1993 due to the availability of brought forward tax losses against which taxable profits have been offset. Tax losses carried forward at 31 December 1994 and available for offset against any future taxable profits total FFr 12,409,000.

# UNITED DISTILLERS FRANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994 (CONTINUED)

### 6 STAFF COSTS AND EMPLOYEES

The Company has no employees, and did not incur any staff costs.

### 7 DIRECTORS' EMOLUMENTS

All Directors discharged their duties wholly outside the United Kingdom and received no emoluments. Details of share options granted to Directors may be found in the Directors' report.

### 8 INVESTMENTS

	FFr'000
At 1 January 1994	4,039
Transfer of NEGGMA shareholding	(4,039)
Investment in UD France SA (100%)	<u>121,872</u>
At 31 December 1994	<u>121,872</u>

### 9 STOCKS

Prior year stocks consisted wholly of spirits and wines purchased for resale, and some advertising and promotions materials purchased for use by the sale and marketing departments. Stocks amounted to FFr 54,106,000 had been sourced from a fellow subsidiary, United Distillers plc. These stocks had been accounted for on a consignment basis.

### 10 DEBTORS

	<u>1994</u> FFr'000	<u>1993</u> FFr'000
Trade debtors	-	163,047
Owed by group undertakings	-	155,200
Other debtors	<u>-</u>	<u>8,036</u>
	-	326,283
	<u>-</u>	<u>-</u>

# UNITED DISTILLERS FRANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994 (CONTINUED)

### 11 CREDITORS - Amounts falling due within one year

	<u>1994</u> FFr'000	<u>1993</u> FFr'000
Bank loans and overdrafts	-	69,288
Trade creditors	-	12,880
Amounts owed to group undertakings	-	-
Accruals and deferred income	-	70,452
Other creditors	<u>-</u>	<u>60,979</u>
	-	213,599
	<u>-</u>	<u>-</u>

### 12 PROVISION FOR LIABILITIES AND CHARGES

	FFr'000
At 1 January 1994	1,700
Utilised	<u>(1,700)</u>
At 31 December 1994	<u>-</u>

### 13 CALLED UP SHARE CAPITAL

	<u>1994</u> FFr'000	<u>1993</u> FFr'000
Authorised, called up and fully paid: 11,020,000 ordinary shares of £1 each	121,594	121,594
	<u>-</u>	<u>-</u>

### 14 PROFIT AND LOSS ACCOUNT

	FFr'000
At 1 January 1994	66
Profit for the year	<u>-</u>
At 31 December 1994	<u>66</u>

**UNITED DISTILLERS FRANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1994 (CONTINUED)**

**15 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent undertaking is United Distillers plc. The ultimate parent undertaking is Guinness PLC. Both of these companies are registered in England.

The ultimate parent undertaking is the parent undertaking of the smallest and largest group of which the Company is a member for which group accounts are prepared.

Copies of the group accounts referred to above can be obtained from the Company's registered office, the address of which can be found in the Directors' report.