

## Directors' Report

The directors have pleasure in submitting their annual report and financial statements for the year ended 30th September 1996.

### Activities

During the year the freehold property owned by the company was sold. It is anticipated that the company will remain inactive in the foreseeable future.

### Financial

The directors recommend that no dividend be paid (1995- Nil). The loss for the period retained in the company is £125,000 (1995 - £5,381).

### Directors

The directors during the year were as follows:-

M.G. Delahooke	Resigned	01/01/96
C.J. Sandham	Resigned	25/10/96
D.B. Rickard	Resigned	15/11/96
J.J. Corbett	Appointed	01/01/96
N.C. Rose	Appointed	15/11/96
G. Williams	Appointed	25/10/96

### Directors' Interests

The directors who held office at the end of the year had the following interests in the shares of Grand Metropolitan PLC, the ultimate holding company.

	Number of ordinary shares at 25p each		Options			
	30 Sept 1995 (or date of appointment)	30 Sept 1996	30 Sept 1995 (or date of appointment)	Granted	Exec	30/09/96
J J Corbett	Nil	1,324	131,255	12,000	27,481	115,774

The above options were held under Grand Metropolitan PLC share option schemes at prices between 380p and 474p per share exercisable by 2006.

Messrs, Rickard and Sandham are directors of the parent undertaking, International Distillers & Vintners Limited, and their interests in the shares of Grand Metropolitan PLC are disclosed in the annual report of that company.



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## **Auditor**

A limited liability company, KPMG Audit Plc, has assumed responsibility for part of the KPMG audit business. KPMG resigned as auditors of the company with effect from 2 August 1996 and KPMG Audit Plc was appointed auditor of the company during the year. A resolution for the reappointment of KPMG Audit Plc will be submitted to the AGM.

## **Secretary**

Mrs M Petetin resigned as Secretary with effect from 28 May 1996 and Mrs V A Lynch was appointed in her place.

By order of the board



**V A Lynch**  
Secretary

8 Henrietta Place  
London  
W1M 9AG

30 July 1997

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## DIRECTORS' RESPONSIBILITIES

### *in relation to financial statements*

The following statement, which should be read in conjunction with the report of the auditor set out on page 5, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial 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 6 to 10, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, that all accounting standards which they consider to be applicable have been followed, and that it is appropriate to use a going concern basis.

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.

The directors, having prepared the financial statements, have requested the auditor to take whatever steps and undertake whatever inspections it considers to be appropriate for the purpose of enabling them to give their audit report.



J J Corbett

Director

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## Report of the Auditor, KPMG Audit Plc to the members of Otford Estates Limited

We have audited the financial statements on pages 6 to 10.

### *Respective responsibilities of directors and auditor*

As described on page 4 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 judgements 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 the company's affairs as at 30th September 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

*30 July 1997*

**KPMG Audit Plc**  
*Chartered Accountants*  
Registered Auditor

London

## OTFORD ESTATES LTD

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### Profit and Loss Account

for the year ended 30th September 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Turnover and operating profit	1,2		-
Other interest receivable and similar income:			
Receivable from group undertakings		11,524	8,032
Profit on ordinary activities before taxation			8,032
Taxation	4	(128,803)	(2,561)
Exceptional Item	3	-	-
Profit/(loss) for the financial year		(117,279)	5,381

The profit and loss account relates wholly to continuing operations. The Company has no recognised gains or losses for the year other than the loss for the financial year.

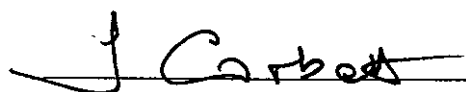
# OTFORD ESTATES LTD

## Balance Sheet

As at 30th September 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
FIXED ASSETS			
TANGIBLE ASSETS			
Freehold Land	5	-	950,000
CURRENT ASSETS			
Debtors:      Amounts owed by Group undertakings	6	50,553	50,553
Cash at bank		1,079,997	118,473
		<u>1,130,550</u>	<u>169,026</u>
CREDITORS:			
Amounts falling due within one year			
Taxation		(131,454)	(2,651)
NET CURRENT ASSETS		<u>999,096</u>	<u>166,375</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>999,096</u>	<u>1,116,375</u>
CAPITAL AND RESERVES			
Called up share capital			
Authorised, Allotted, called up and fully paid	6		
2,000 ordinary shares of £1 each		2,000	2,000
Revaluation reserve		-	937,751
Profit and loss account	8	997,096	176,624
Shareholders' funds (all equity)		<u>999,096</u>	<u>1,116,375</u>

These financial statements were approved by the board of directors on 30 July 1997 and were signed on its behalf by:-



J J Corbett  
Director

## OTFORD ESTATES LTD

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### Reconciliation of Movements in Shareholders' Funds for the year ended 30th September 1996

	<u>1996</u>	<u>1995</u>
Profit/(Loss)	£	£
Profit for the financial year	(125,000)	5,381
Net additions to Shareholders' Funds	(125,000)	5,381
Shareholders' Funds at 30th September 1995	1,116,375	1,110,994
Shareholders' Funds at 30th September 1996	<u>991,375</u>	<u>1,116,375</u>

# OTFORD ESTATES LTD

## Notes

(forming part of the financial statements)

### 1. Accounting Policies

#### a) Accounting Convention

The financial statements are prepared under the historical cost convention. They have been drawn up to comply in all material respects with applicable UK accounting standards.

#### b) Turnover

Turnover comprises rental income

#### c) Freehold land not depreciated

No depreciation has been charged on the freehold land.

### 2. Operating Costs

The directors received no emoluments in respect of their services to the company (1995 - £Nil) and the audit fee has been borne by International Distillers and Vintners Limited. The company has no employees and therefore has no staff costs.

### 3. Exceptional Items

During the year the company sold the freehold property at Otford Road, Sevenoaks, Kent to a third party at its book value. A provisional tax liability of £125,000 has been provided for.

### 4. Taxation on Profit on Ordinary Activities

	<u>1996</u>	<u>1995</u>
	£	£
UK Corporation tax @ 33% (1995 - 33%)	<u>128,803</u>	<u>2,651</u>

### 5. Fixed Assets

	<u>1996</u>	<u>1995</u>
	£	£
Details of revalued land is as follows:		
At 1988 professional valuation	-	950,000
Historical cost of land	-	12,249

A professional valuation of the company's land was carried out at 30th September 1988 on an open market existing use basis. The valuation was made by a specialist firm of chartered surveyors.



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## Notes - *continued*

### 6. Debtors

All debtors are receivable within one year.

### 7. Ordinary Shares are entitled to one vote each.

### 8. Reserves

	Profit & Loss Account	Revaluation Reserve	Total
Balance at 30 Sept 1995	176,624	937,751	1,114,375
Transfer to P&L	937,751	(937,751)	-
(Loss)/Profit for the year	(125,000)		
Balance at 30 Sept 1996	<u>989,375</u>	<u>-</u>	<u>1,114,375</u>

### 9. Cash Flow Statement

A cash flow statement is not presented as the company is a member of a group whose ultimate holding company, Grand Metropolitan PLC, includes a group cash flow statement in its financial statements.

### 10. Ultimate Holding Company

The company is a wholly owned subsidiary of Gilbeys Limited and its ultimate holding company is Grand Metropolitan PLC, both companies are incorporated in Great Britain and registered in England and Wales. A copy of the financial statements of the latter can be obtained from 8 Henrietta Place, London W1M 9AG.