

FAST CARE ENTERPRISES LIMITED

Registered Company Number 2922199

Directors' Report and Financial Statements

30 March 1997

KPMG

1 Forest Gate, Brighton Road, Crawley, West Sussex, RH11 9PT



DIRECTORS' REPORT

18 MONTHS TO 30 MARCH 1997

BUSINESS REVIEW

Fast Care Enterprises Limited is a trading company of Tomorrow's People Trust and provides property management and training services on a commercial basis for employed people and employers.

During the period to 30 March 1997 the main activity of Fast Care Enterprises Limited was the provision of property management services.

ACCOUNTING REFERENCE DATE

The year end accounting reference date was changed to 30 March to match the financial year of Tomorrow's People Trust. The Directors report and Financial Statements cover an 18 month period from 1 October 1995 to 30 March 1997

FUTURE DEVELOPMENTS IN THE BUSINESS

Fast Care Enterprises Limited plans to continue to maintain local activities in support of Tomorrow's People Trust.

PROPOSED DIVIDEND

No dividend is proposed in the current year, and the profit has been transferred to reserves.

DIRECTORS AND DIRECTORS' INTERESTS

The Company was incorporated in Great Britain on 25 April 1994 and registered in England (no. 2922199).

The Directors who served during the period and their interests in the shares of the ultimate holding company, Grand Metropolitan PLC, were as follows:

	Ordinary Shares of 25p each			Options			
	At 01.10.95	At 30.03.97	* RSP Award	At 01.10.95	Granted During Period	Exercised During Period	At 30.03.97
G.T. Bush	69	72	8,500	138,874	25,500	16,000	148,374
T.J. Coleman (resigned 30.7.97)	1,481	0	0	54,800	12,227	0	67,027
R.H. Myddelton	27,019	20,901	18,081	255,102	56,645	0	311,747
B.E. Wickham	32,763	26,396	5,000	141,348	24,454	58,396	107,406

* Restricted Share Plan Award
granted 1.1.97.

The Directors held the above options under the Grand Metropolitan PLC share option schemes at prices between 243p and 474p exercisable by 2006.

As potential beneficiaries of the Grand Metropolitan plc Number 1 Employee Share Trust, G.T. Bush and B.E. Wickham each had an interest at 30 March 1997 in 1,633,206 shares registered in the name of the trustees, Hill Street Trustees Limited and 45,594,300 shares which were the subject of call options purchased by the trustees from SBC Warburg Dillon Read and National Westminster Bank plc.

As a potential beneficiary of the Grand Metropolitan plc Number 2 Employee Share Trust, R.H. Myddelton had an interest at 30 March 1997 in 263,794 shares registered in the name of the trustees, Hill Street Trustees Limited and 9,327,175 shares which were the subject of call options purchased by the trustees from SBC Warburg Dillon Read and National Westminster Bank plc.

The company's ultimate holding company is now Diageo plc which acquired the previous holding company, Grand Metropolitan plc on 17 December 1997.

AUDITORS

In accordance with Section 386 of the Companies Act 1985, a resolution will be proposed enabling the Company to dispense with the obligation to appoint auditors annually

By Order of the Board



B.E. Wickham, Secretary
8 Henrietta Place, London W1M 9AG

Date 29 JANUARY 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss 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;*
- *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 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 financial statements comply with the Companies Act 1985. They 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.

REPORT OF THE AUDITORS, KPMG, TO THE MEMBERS OF FAST CARE ENTERPRISES LIMITED.

We have audited the financial statements on pages 5 to 9 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 on page 3 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 of 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 the 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 30 March 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG, Chartered Accountants, Registered Auditors
1 Forest Gate, Brighton Road, Crawley, West Sussex. RH11 9PT
Date

29th January 1998

PROFIT AND LOSS ACCOUNT

18 MONTHS ENDED 30 MARCH 1997

	Notes	18 months to 30.3.97	17 months to 30.9.95
		£	£
TURNOVER	3	2,197	14,873
Cost of Sales		(1,200)	(7,491)
		<hr/>	<hr/>
		1,717	7,382
Administrative Expenditure		(1,424)	(1,037)
		<hr/>	<hr/>
OPERATING PROFIT		293	6,345
Deeds of Covenant			(5,800)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		293	545
Taxation payable	6	(73)	(340)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED FOR THE YEAR		220	205
		=====	=====

The notes on page 7 to 9 form part of these financial statements.

The Company has no recognised gains or losses other than the profit for the period.

BALANCE SHEET

AT 30 MARCH 1997

	Notes	1997 £	1995 £
CURRENT ASSETS			
Debtors	7	0	3,373
Cash at bank		1,453	10
		<u>1,453</u>	<u>3,383</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	8	<u>(1,026)</u>	<u>(3,176)</u>
NET ASSETS		<u>427</u>	<u>207</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account	10	<u>425</u>	<u>205</u>
	11	<u>427</u>	<u>207</u>

The notes on pages 7 to 9 form part of these financial statements.

The financial statements were approved by the Directors on:
and signed on their behalf by:

R.H. Myddelton



29 JANUARY 1998

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

i) Basis of Accounting

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

2. CASHFLOW

Under Financial Reporting Standard number 1 the Company is exempt from the requirement to prepare a cash flow statement on account of its size.

3. TURNOVER

Turnover represents the invoiced value of property management, catering/functions and training, excluding Value Added Tax, carried out in the United Kingdom.

	18 months to 30.3.97	17 months to 30.9.95
	£	£
Property management	2,917	9,333
Catering/functions	0	5,310
Training sales	0	230
	<u>2,917</u>	<u>14,873</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	18 months to 30.3.97	17 months to 30.9.95
Auditors' fees	<u>1,000</u>	<u>1,000</u>

5. DIRECTORS' AND STAFF EMOLUMENTS

The Directors received no remuneration in the period.

Labour requirements for staff are provided on a sub-contract basis by Tomorrow's People Trust (formerly GrandMet Trust) as required.

6. TAXATION

	18 months to 30.3.97	17 months to 30.9.95
Corporation tax at 25%	<u>73</u>	<u>340</u>

7. DEBTORS

	1997 £	1995 £
Trade debtors	0	2,688
Accrued income	<u>0</u>	<u>685</u>
	<u>0</u>	<u>3,373</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1995 £
Trade creditors	0	705
Other creditors including taxation and social security:		
Corporation tax	0	340
Other creditors	0	689
Accruals	<u>1,206</u>	<u>1,442</u>
	<u>1,206</u>	<u>3,176</u>

9. SHARE CAPITAL

	1997	1995
	£	£
Authorised:		
Ordinary £1 shares	<u>1,000</u>	<u>1,000</u>
Share capital allotted, called up and fully paid. Ordinary £1 shares	<u>2</u>	<u>2</u>

10. MOVEMENT IN RESERVES

	1997	1995
Balance brought forward	205	0
Retained Profit for the period	<u>220</u>	<u>205</u>
Balance carried forward	<u>425</u>	<u>205</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997	1995
Opening shareholders' funds	207	0
Profit for the period	220	205
Share capital issued during the period	<u>0</u>	<u>2</u>
Closing shareholders' funds	<u>427</u>	<u>207</u>

12. RELATED PARTY TRANSACTIONS

The following is a summary of those transactions and balances between the company and related parties which are required to be disclosed under Financial Reporting Standard 8:

	Note	Related Undertaking £
Cost of Sales	(a)	1,200

The related undertaking is Tomorrow's People Trust (formerly GrandMet Trust)

(a) Cost of sales comprises management fees payable for management services.

13. HOLDING COMPANY

The ultimate holding company is Grand Metropolitan PLC, a company incorporated in Great Britain and registered in England.

The results of Fast Care Enterprises Limited are not considered material to the group and are not therefore included in any other financial statements.