

VAUX BREWERIES (1995) LIMITED

(A wholly owned subsidiary of Vaux Group plc which is incorporated in England and Wales)

Directors	:	N. T. Gossage C. J. Storey
Secretary	:	C. J. Storey
Registered Office	:	The Brewery Sunderland SR1 3AN
Registered Number	:	03082773

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30th September 1998.

Directors

The directors are both directors of the parent company and their interests in the shares of the parent company are disclosed in its accounts.

Activities and Business Review

The company acts as an employment service company for certain of the employees who work for the parent company.

Results and Dividends

The company's profit after tax was £261,338 (1997: £254,537). The directors recommend that no dividend is paid (1997: nil).

Auditors

Our auditors, Price Waterhouse, merged with Coopers & Lybrand on 1 July 1998, following which Price Waterhouse resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.



SUNDERLAND
13TH DECEMBER 1998


C J STOREY
DIRECTOR & SECRETARY

VAUX BREWERIES (1995) LIMITED

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

	<u>Notes</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
TURNOVER	2	7,957,377	7,860,699
COST OF SALES		<u>(7,578,417)</u>	<u>(7,486,380)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	3	378,920	374,319
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	<u>(117,582)</u>	<u>(119,782)</u>
RETAINED PROFIT FOR THE YEAR		<u>261,338</u>	<u>254,537</u>

Vaux Breweries (1995) Limited has no recognised gains or losses other than those above and therefore has not presented a statement of such under FRS3.

There is no difference between the profits reported above and those on a historical cost basis.

All activities relate to continued operations.

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BALANCE SHEET

AS AT 30TH SEPTEMBER 1998

	<u>Notes</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
CURRENT ASSETS			
Debtors - amount owed by parent company		848,045	588,989
CURRENT LIABILITIES			
Corporation tax payable		<u>117,500</u>	<u>119,782</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>730,545</u>	<u>469,207</u>
CAPITAL AND RESERVES			
Called up equity share capital	6	2	2
Profit and Loss account	7	<u>730,543</u>	<u>469,205</u>
Equity shareholders' funds	8	<u>730,545</u>	<u>469,207</u>

The financial statements were approved by the directors on 13th December 1998 and are signed on their behalf by:-



N. T. Gossage - Director

VAUX BREWERIES (1995) LIMITED

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by company law to ensure that accounts are prepared which give a true and fair view of the state of affairs of the company at the end of the financial year and of its results for the period to that date. The accounts must be prepared in accordance with applicable accounting standards. In addition, the directors are responsible for selecting suitable accounting policies, applying them consistently and for making judgements and estimates that are reasonable and prudent.

The directors are also responsible for ensuring that adequate accounting records are maintained and that systems are in place both to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF VAUX BREWERIES (1995) LIMITED

We have audited the financial statements on pages 2 to 6 which have been prepared under the historical cost convention, and the accounting policies set out on page 5.

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 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 1998 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

Newcastle upon Tyne
13th December 1998

VAUX BREWERIES (1995) LIMITED

(A wholly owned subsidiary of Vaux Group plc which is incorporated in England and Wales)

NOTES ON THE ACCOUNTS **FOR THE YEAR ENDED 30TH SEPTEMBER 1998**

1. ACCOUNTING POLICIES

The main accounting policies are as follows:-

Accounting convention.

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

2. TURNOVER

Turnover arose wholly in the United Kingdom and represents value of goods and services exclusive of VAT.

3. PROFIT ON ORDINARY ACTIVITIES IS STATED AFTER CHARGING

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Wages and Salaries	6,882,266	6,734,606
Social Security	342,898	425,627
Pension Scheme Costs	<u>353,253</u>	<u>326,147</u>
	<u>7,578,417</u>	<u>7,486,380</u>

The average number of employees during the year was 699 (1997 - 651).

4. DIRECTORS EMOLUMENTS

No director received any emoluments in respect of their services to the company.

5. TAX

The tax charge on the profit for the year ended comprises the following:-

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
UK corporation tax at 31% (1997 - 32%)	<u>117,582</u>	<u>119,782</u>

6. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Equity		
<u>Authorised</u>		
ordinary shares £1 each	<u>100</u>	<u>100</u>
<u>Called up, allotted and fully paid</u>		
ordinary shares £1 each	<u>2</u>	<u>2</u>

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NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

7. **PROFIT AND LOSS ACCOUNT**

£

At 30 th September 1997	469,205
Profit for the year	<u>261,338</u>
At 30 th September 1998	<u>730,543</u>

8. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Profit for the financial period	261,338	254,537
Opening shareholders funds	<u>469,207</u>	<u>214,670</u>
Closing shareholders funds	<u>730,545</u>	<u>469,207</u>

9. **ULTIMATE PARENT COMPANY**

Accounts of the parent company, Vaux Group plc, can be obtained from The Brewery, Sunderland, SR1 3AN.

The company has taken exemption from the requirement to disclose transactions with related undertakings, whose share capital is 90% or more controlled within the group.

10. **CASH FLOW STATEMENT**

The company is a wholly owned subsidiary of Vaux Group plc, whose accounts are now publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).