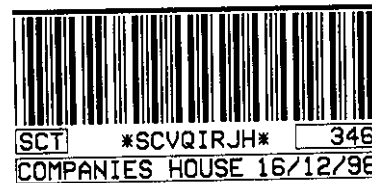


**UNITED DISTILLERS UK Plc**

**Registered No. 135736.**

**INTERIM ACCOUNTS FOR THE**  
**10 MONTHS ENDED**  
**31 OCTOBER 1996**

8



**UNITED DISTILLERS UK Plc**  
**PROFIT AND LOSS ACCOUNT FOR THE 10 MONTHS ENDED**  
**31 OCTOBER 1996**

	<u>Notes</u>	<u>10 Months</u> <u>Ended</u> <u>31.10.96</u>	<u>12 Months</u> <u>Ended</u> <u>31.12.95</u>
		£'000	£'000
Turnover	1	424,518	508,856
Cost of Sales		<u>(232,128)</u>	<u>(326,232)</u>
Gross Profit		192,390	182,624
Net Operating Costs	2	<u>(78,436)</u>	<u>(88,335)</u>
Operating Profit		<u>113,954</u>	<u>94,289</u>
Interest Receivable		27	15
Profit on ordinary activities before taxation		113,981	94,304
Taxation	3	<u>(38,500)</u>	<u>(34,347)</u>
Profit on ordinary activities after taxation		75,481	59,957
Dividends	4	<u>(87,376)</u>	<u>-</u>
Amount transferred to/(from) reserves	10	<u>(11,895)</u>	<u>59,957</u>

There were no recognised gains or losses (1995 - £Nil) other than the profit for the 10 months (1995 - 12 months) and all operations are continuing.

**Note of historical cost profits and losses**

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

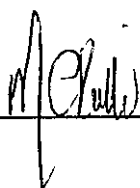
**UNITED DISTILLERS UK Plc**  
**BALANCE SHEET AS AT 31 OCTOBER 1996**

	<u>Notes</u>	<u>As at</u> <u>31st October</u> <u>1996</u>	<u>As at</u> <u>31st December</u> <u>1995</u>
		£'000	£'000
<b>FIXED ASSETS</b>			
Tangible Assets	5	6,033	6,291
Investments		<u>13</u>	<u>13</u>
		6,046	6,304
<b>CURRENT ASSETS</b>			
Stocks	6	37,381	27,016
Debtors	7	892,713	776,685
Cash at bank and in hand		<u>7,913</u>	<u>29,442</u>
		938,007	833,143
<b>CREDITORS</b> (amounts falling due within one year)	8	<u>(868,522)</u>	<u>(752,021)</u>
<b>NET CURRENT ASSETS</b>		<u>69,485</u>	<u>81,122</u>
<b>TOTAL ASSETS LESS</b> <b>CURRENT LIABILITIES</b>		<u>75,531</u>	<u>87,426</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Called up Share Capital	9	50	50
Profit & Loss Account	10	<u>75,481</u>	<u>87,376</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	11	<u>75,531</u>	<u>87,426</u>

Approved by the Board of Directors on

Director

12th December 1996



The notes on pages 3 to 7 form part of these financial statements.

**UNITED DISTILLERS UK Plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 OCTOBER 1996**

**ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared under the historical cost convention, with the exception of Fixed Assets which are included at cost or valuation as disclosed in note 5.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

Cost is based on transfer cost from Group companies and invoice cost for agency brands.

**Depreciation**

Depreciation is provided, based on the original cost of the assets to the Group or on their revalued amount, on a straight line basis at annual rates estimated to write off their book value over the term of their useful lives. Land is not depreciated. The principal rates used are as follows:-

Freehold Buildings	2% to 4%
Plant, Machinery and Fittings	10% to 25%
Motor Vehicles	25%

**Deferred Taxation**

Provision is made for deferred taxation on all material timing differences except for those which the Directors consider will not reverse in the foreseeable future.

**Pension Funding**

The Company is a member of a group pension scheme which is operated by its ultimate parent company, Guinness PLC.

**Goodwill**

Goodwill, the excess of the cost of acquisitions over the fair value of the underlying net assets, is written off against reserves in the year in which it arises.

**Turnover**

Turnover is stated net of price list discounts and V.A.T. but including Customs and Excise duty.

**Foreign Exchange**

Profit and loss account transactions in foreign currencies are translated into sterling at the rate prevailing under hedging arrangements with Guinness Group Treasury. Monetary assets and liabilities denominated in foreign currencies are retranslated at exchange rates ruling on the 31 October 1996. All revaluation differences and realised foreign exchange differences are taken to profit and loss.

**UNITED DISTILLERS UK Plc**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 OCTOBER 1996**

**(Continued)**

	<u>10 Months</u> <u>Ended</u> <u>31.10.96</u>	<u>12 Months</u> <u>Ended</u> <u>31.12.95</u>
<b>1 <u>TURNOVER</u></b>	<b>£'000</b>	<b>£'000</b>
By geographical sector		
U.K.	178,093	377,565
Republic of Ireland	1,410	1,926
Europe	<u>245,015</u>	<u>129,365</u>
 The Company operates within one business segment.	 <u>424,518</u>	 <u>508,856</u>
 <b>2 <u>NET OPERATING COSTS</u></b>		
Staff Costs (Note 15)		
Depreciation	7,810	8,465
Administration Expenses	981	1,108
Distribution Costs	71,923	75,951
Other Operating Income	302	6,853
	<u>(2,580)</u>	<u>(4,042)</u>
	<u>78,436</u>	<u>88,335</u>
 <b>3 <u>TAXATION OF PROFIT</u> <u>ON ORDINARY ACTIVITIES</u></b>		
United Kingdom Corporation Tax for current period at 33% (1995 - 33%)	38,500	35,152
Over provision in prior years	<u>-</u>	<u>(805)</u>
	<u>38,500</u>	<u>34,347</u>
 <b>4 <u>DIVIDENDS</u></b>		
Ordinary Shares - Interim Dividend Paid	<u>87,376</u>	<u>-</u>

**UNITED DISTILLERS UK Plc**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 OCTOBER 1996**

**(Continued)**

	Freehold Land & Buildings	Plant, Machinery & Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
<b>5 TANGIBLE ASSETS</b>				
Cost or Valuation:				
31 December 1995	3,799	2,245	1,974	8,018
Transfers in Group	-	-	(14)	(14)
Transfers from Group	-	8	7	15
Additions - external	6	499	788	1,293
Disposals - external	-	-	(1,012)	(1,012)
31 October 1996	<u>3,805</u>	<u>2,752</u>	<u>1,743</u>	<u>8,300</u>
Depreciation:				
31 December 1995	229	1,410	88	1,727
Transfers from Group	-	-	(3)	(3)
Charge for year	64	367	550	981
Disposals - external	-	-	(438)	(438)
	<u>293</u>	<u>1,777</u>	<u>197</u>	<u>2,267</u>
Net Book Amount				
31 October 1996	<u>3,512</u>	<u>975</u>	<u>1,546</u>	<u>6,033</u>
31 December 1995	<u>3,570</u>	<u>835</u>	<u>1,886</u>	<u>6,291</u>

Included within tangible assets at 31 October 1996 is land at a valuation of £20,000 (1995 - £20,000) on which no depreciation is charged.

**UNITED DISTILLERS UK Plc**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 OCTOBER 1996**

**(Continued)**

	<u>As at</u> <u>31st October</u> <u>1996</u>	<u>As at</u> <u>31st December</u> <u>1995</u>
<b>6 <u>STOCKS</u></b>	£000	£000
Goods held for resale	<u>37,381</u>	<u>27,016</u>
<b>7 <u>DEBTORS</u></b>		
Amounts falling due within one year:		
Trade debtors	40,630	94,118
Amounts owed by Group Undertakings	847,506	678,148
Other debtors	3,231	3,024
Prepayments and accrued income	<u>1,346</u>	<u>1,395</u>
	<u>892,713</u>	<u>776,685</u>
<b>8 <u>CREDITORS</u></b>		
Amounts falling due within one year:		
Trade creditors	23,527	5,149
Amounts owed to Group Undertakings	801,836	649,007
Corporation Tax	38,778	35,147
Social Security and other taxes	1,561	28,538
Accruals and deferred income	<u>2,820</u>	<u>34,180</u>
	<u>868,522</u>	<u>752,021</u>

**UNITED DISTILLERS UK Plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 OCTOBER 1996**  
**(Continued)**

	<u>As at</u> <u>31st October</u> <u>1996</u>	<u>As at</u> <u>31st December</u> <u>1995</u>
<b>9 CALLED UP SHARE CAPITAL</b>	<b>£'000</b>	<b>£'000</b>
<u>Authorised</u>		
Ordinary shares of £1 each	<u>50</u>	<u>50</u>
<u>Allotted, called-up and fully paid</u>		
Ordinary shares of £1 each	<u>50</u>	<u>50</u>
<b>10 RESERVES</b>		<b>Profit &amp; Loss Account £'000</b>
At 1 January 1996		87,376
Transfer from profit and loss account for the year		<u>11,895</u>
At 31 October 1996		<u>75,481</u>
<b>11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>		<b>£'000</b>
(Loss)/1996 Profit for the year		(11,895)
Opening shareholders' funds		<u>87,426</u>
Closing shareholders' funds		<u>75,531</u>