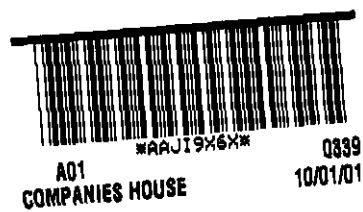


Bass Brewers Ltd

Report and Accounts

26 August 2000

Registered number: 26018



Directors' report

For the 47 week period ended 26 August 2000

The directors present their report and accounts for the 47 week period ended 26 August 2000.

Principal activities and business review

The principal activities of the Company consist of brewing, bottling and malting, and the supply of beer, wines and spirits and soft drinks to the tied and free trade.

The directors expect the general level of activity to continue to increase as a result of the company's constant development of new products and increased premiumisation within the product portfolio. Bass Brewers is characterised by its strength as a mature business reflected in the Company's substantial operating cash flow.

On 22 August 2000 the entire share capital of the immediate parent company, Bass Holdings Limited, was purchased by Interbrew UK Holdings Limited.

Results and dividends

The profit of the Company for the period, after taxation, amounted to £46,843,000 (1999: £76,237,000). Interim dividends of £158,200,000 (1999: £405,000) were paid as follows.:

28 March 2000:	£123,000,000
29 June 2000:	£26,700,000
21 August 2000:	£8,500,000

The directors do not recommend the payment of a final dividend.

Directors and their interests

The following served as directors of the Company during the period:

P S Swinburn
P Thomas
J G Napier
M D Thomas
R T Winter (Resigned 22 August 2000)
J S Holberry
C R Edger
M R Hunter
E Hinchliffe

None of the Directors had any interest in the shares of the company during the period.

Bass PLC maintained insurance during the period to 22 August 2000 for Directors and officers of the company against liabilities in relation to the company. Thereafter Interbrew Belgium SA has maintained insurance for Directors and officers of the company against liabilities in relation to the company.

Directors' report (continued)

Directors' Options

Options held by the directors during the period under the Bass Executive Share Option Scheme and the Bass Employee Savings Share Scheme are shown below. Options are exercisable at prices between 367.00p and 1014.50p per ordinary share on dates up to 2006.

Under option

Name of director

		30 September 1999 or date of appointment	Granted during period	Exercised during period	26 August 2000
J G Napier	Ben (1)	148,719	87,900	-	236,619
P S Swinburn	Ben (1)	46,440	28,100	(517)	74,023
P Thomas	Ben (1)	40,948	28,300	-	69,248
M D Thomas	Ben (1)	48,001	29,200	-	77,201
J S Holberry	Ben (1)	36,546	26,000	-	62,546
C R Edger	Ben (1)	32,803	24,100	-	56,903
M R Hunter	Ben (1)	38,316	28,600	(517)	66,399
E Hinchliffe	Ben (1)	46,621	26,100	(1,771)	70,950
		<hr/> 438,394	<hr/> 278,300	<hr/> (2,805)	<hr/> 713,889

(1) Ben = Beneficial

There are no directors' interests in Interbrew SA requiring disclosures under the Companies Act 1985 by applying The Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985.

Directors' report (continued)

Contracts and arrangements

No director was materially interested in any contract of significance to the Company's business, other than a service contract.

Fixed assets

Information relating to changes in fixed assets is given in notes 8 to 10 to the accounts.

In the opinion of the directors there is no material difference between the book and the current value of land and buildings.

Supplier Payment Policy

The Company agrees payment terms with all of its main suppliers and abides by these terms subject to satisfactory performance by the supplier. Amounts owed to other suppliers are settled on or before the end of the month following receipt of a valid invoice. At 26 August 2000, trade creditors outstanding represented approximately 30 days purchases from suppliers comprising trade creditors.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that all employees be given equal opportunities in respect of training, career development and promotion.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

In addition to widely established arrangements involving briefing group consultancy committees and the publication of Company newspapers, there has been an increasing use of video programmes as part of the general process of employee consultation.

It is Company policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin and that equal opportunity shall be given to all employees.

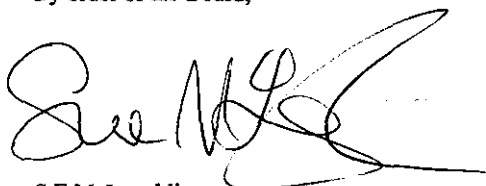
Auditors

The directors will place a resolution before the Annual General Meeting to appoint KPMG as auditors for the ensuing period.

137 High Street
Burton upon Trent
Staffordshire
DE14 1JZ

1 November 2000

By order of the Board,



S E McLaughlin
Secretary

Statement of Director's Responsibilities

in relation to the accounts

The following statement, which should be read in conjunction with the Report of the Auditors 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 accounts.

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

Following discussions with the Auditors, the Directors consider that, in preparing the accounts on pages 6 to 25 inclusive, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed. The accounts have been prepared on a going concern basis as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

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 accounts 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.

Report of the auditors

For the 47 week period ended 26 August 2000

To the members of Bass Brewers Limited

We have audited the accounts on pages 6 to 25, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 6 to 7.

Respective responsibilities of directors and auditors

As described on page 4 the Company's Directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom Law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities as independent auditors are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

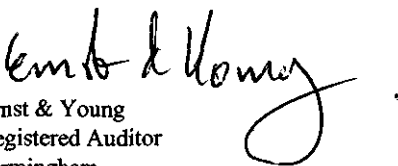
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 26 August 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Registered Auditor
Birmingham

1 November 2000

Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period and the preceding period, is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets. They have been drawn up to comply with applicable accounting standards.

In accordance with S229(2) group accounts have not been prepared because the subsidiary companies are non-trading and their accounts are not material in aggregation.

b) Government grants

Grants receivable relating to depreciable assets are credited to a deferred income account and released to revenue over the estimated useful lives of the relevant assets.

c) Investments

Fixed asset investments are stated individually at cost less any provision for permanent diminution in value.

d) Leases

Assets held under finance leases are capitalised in the balance sheet within tangible fixed assets and are depreciated at the appropriate rates. The capital element of future lease payments is included in borrowings. The interest element of the lease obligations is charged to the profit and loss account.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

e) Research and development

Expenditure on research and development is charged to the profit and loss account as incurred.

f) Stocks

Stocks are stated at the lower of cost, including an appropriate element of production overhead cost, and net realisable value.

g) Tangible fixed assets and depreciation

(i) Freehold and leasehold properties are stated at cost or valuation, less depreciation where relevant. All other fixed assets are stated at cost.

(ii) Surpluses arising from the professional valuations of properties are taken direct to the revaluation reserve. Valuation surpluses realised on sale are transferred from the revaluation reserve to the profit and loss account reserve. Any deficit arising from the professional valuation of properties is taken direct to the revaluation reserve to the extent that such deficit is regarded as temporary. Where a permanent diminution in value of an individual property is identified, the deficit is eliminated against any revaluation reserve in respect of that property with any excess being charged to the profit and loss account.

(iii) Freehold land is not depreciated

(iv) Freehold properties are written off over 50 years, from the later of the date of acquisition and latest valuation.

(v) Leasehold properties are written off over 50 years, from the later of the date of acquisition and latest valuation.

Accounting policies (continued)

(vi) Cost of plant, machinery, fixtures, fittings, tools and equipment (owned or leased) is spread, by equal instalments, over the estimated useful lives of the relevant assets, namely:

Plant and machinery	4 - 20 years
Equipment in retail outlets	3 - 10 years
Information technology equipment	3 - 5 years
Vehicles	3 - 10 years

(vii) Interest payable in respect of certain major projects is capitalised to the extent that it relates to the period prior to the project becoming operational.

(viii) Any impairment arising on an income generating unit, other than one which represents a consumption of economic benefits, is eliminated against any revaluation reserve of that income generating unit with any excess being charged to the profit and loss account.

(ix) No depreciation is charged in the year of acquisition and a full year's depreciation is charged in the year of disposal.

h) Taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the foreseeable future. Where this policy gives rise to a balance which will be offset against future taxation liabilities, this balance is carried forward as a debtor. No liability is considered to arise for deferred taxation in respect of UK industrial buildings allowances as the properties are expected to be used in the business for periods longer than that for which the allowances could be reclaimed on disposal. Similarly, no liability is considered to exist for taxation deferred by UK roll-over relief due to the level of continuing capital investment.

i) Turnover

Turnover represents sales (excluding VAT and similar taxes, trade discounts and intra-group transactions) of goods and services, net of discounts, provided in the normal course of business.

j) Pensions

The company principally operates two pension plans covering the majority of permanent full time UK employees, both of which are of the defined benefit type. The assets of the plans are held in separate trustee administered funds. The cost of providing these pension benefits, both regular pension cost and variations in regular pension cost, is charged to the profit and loss account over the average expected service lives of current employees. Differences between the amount charged in the profit and loss account and the payment made to the plans are treated as either provisions or prepayments in the balance sheet. (Further information is given in note 3(c)).

k) Intangible fixed assets

Intangible fixed assets are capitalised, classified as assets on the balance sheet and amortised on a straight line basis over their useful economic lives. They are reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recovered. No amortisation is charged in the year of acquisition and a full year's amortisation is charged in year of disposal.

l) Restatement of 1999 comparatives

The comparative figures for amounts owed to and from group undertakings have been restated to exclude amounts owed to and from Bass PLC and its group undertakings. The restatement has no impact on net assets or net current liabilities.

Profit and Loss Account

For the 47 week period ended 26 August 2000

	Notes	47 weeks ending 26 August 2000 £000	53 weeks ending 2 October 1999 £000
Turnover			
Continuing operation:	1	1,475,740	1,672,958
Costs and overheads, less other income	2	<u>(1,387,828)</u>	<u>(1,546,179)</u>
Operating profit			
Continuing operation:		87,912	126,779
Profit on sale of fixed assets	4	<u>231</u>	<u>585</u>
Profit on ordinary activities before interest		88,143	127,364
Other interest receivable and similar income		153	513
Interest payable and similar charges	5	<u>(14,528)</u>	<u>(17,006)</u>
Profit on ordinary activities before taxation		73,768	110,871
Tax on profit on ordinary activities	6	<u>(26,925)</u>	<u>(34,634)</u>
Profit on ordinary activities after taxation		46,843	76,237
Dividends	7	<u>(158,200)</u>	<u>(405)</u>
Retained (loss)/ profit for the period		<u><u>(111,357)</u></u>	<u><u>75,832</u></u>

Notes on pages 12 to 25 form an integral part of these accounts.

Balance Sheet

As at 26 August 2000

	Notes	As at 26 August 2000 £000	As at 2 October 1999 £000
Fixed assets			
Intangible assets	8	5,001	-
Tangible assets	9	438,066	460,834
Investments	10	175,121	208,546
		<u>618,188</u>	<u>669,380</u>
Current assets			
Stocks	11	84,498	88,415
Debtors	12	391,695	456,493
Cash at bank and in hand		49,519	35,458
		<u>525,712</u>	<u>580,366</u>
Creditors: Amounts falling due within one year	13	<u>(301,371)</u>	<u>(291,931)</u>
Net current assets		<u>224,341</u>	<u>288,435</u>
Total assets less current liabilities		<u>842,529</u>	<u>957,815</u>
Creditors: Amounts falling due after more than one year	14	<u>(243,714)</u>	<u>(244,974)</u>
Provisions for liabilities and charges	15	<u>(896)</u>	<u>(3,565)</u>
Net Assets		<u>597,919</u>	<u>709,276</u>
Capital and reserves			
Equity share capital	17	1,722	1,722
Share premium account		598,278	598,278
Revaluation reserve		627	645
Profit and loss account		<u>(2,708)</u>	<u>108,631</u>
Shareholders' Funds		<u>597,919</u>	<u>709,276</u>

Signed on behalf of the Board

P Thomas
Director

1 November 2000



Notes on pages 12 to 25 form an integral part of these accounts.

Statement of Cash Flows

for the 47 week period ended 26 August 2000

	Notes	47 weeks ending 26 August 2000 £000	53 weeks ending 2 October 1999 £000
Net Cash Inflow from Operating Activities	16	258,939	115,443
Returns on Investments and Servicing of Finance	16	(12,375)	(15,987)
Taxation	16	(49,475)	(37,714)
Capital Expenditure and Financial Investment	16	(20,962)	(22,969)
Equity Dividends Paid		(158,200)	(405)
Financing	16	(3,866)	(17,550)
Increase in Cash		<u>14,061</u>	<u>20,818</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
		47 weeks ending 26 August 2000 £000	53 weeks ending 2 October 1999 £000
Increase in cash		14,061	20,818
Cash used to repay capital element of finance lease and hire purchase payments		3,534	4,095
Cash outflow from decrease in loans		332	13,455
Change in net debt resulting from cash flows	16	<u>17,927</u>	<u>38,368</u>
New finance leases and hire purchase contracts		(721)	(2,847)
Movement in Net Debt		<u>17,206</u>	<u>35,521</u>
Net Debt at 2 October 1999	16	34,106	(1,415)
Net Debt at 26 August 2000	16	<u>51,312</u>	<u>34,106</u>

Statement of Recognised Gains and Losses

For the 47 week period ended 26 August 2000

	2000 £000	1999 £000
Profit for the financial period	46,843	76,237
Unrealised surplus on revaluation of land and buildings	-	645
Total Recognised Gains and Losses Relating to the Period	<u>46,843</u>	<u>76,882</u>

Historical Cost Profits and Losses

For the 47 week period ended 26 August 2000

	2000 £000	1999 £000
Reported profit on ordinary activities before taxation	73,768	110,871
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	18	-
Historical cost profit on ordinary activities before taxation	<u>73,786</u>	<u>110,871</u>
Historical cost (loss)/ profit on ordinary activities after taxation and dividends	<u>(111,339)</u>	<u>75,832</u>

Reconciliation of Shareholders' Funds and Movement on Reserves

For the 47 week period ended 26 August 2000

	Share capital £000	Share Premium account £000	Revaluation reserve £000	Profit and loss account £000	Total Shareholders' funds £000
At 26 September 1998	1,722	598,278	-	32,799	632,799
Profit for the year	-	-	-	76,237	76,237
Dividend	-	-	-	(405)	(405)
Revaluation surplus	-	-	645	-	645
At 2 October 1999	1,722	598,278	645	108,631	709,276
Profit for the period	-	-	-	46,843	46,843
Dividend	-	-	-	(158,200)	(158,200)
Transfers	-	-	(18)	18	-
At 26 August 2000	<u>1,722</u>	<u>598,278</u>	<u>627</u>	<u>(2,708)</u>	<u>597,919</u>

Notes to financial statements

1 Segment analysis

Turnover and profit before tax is all attributable to the provision of Branded Drinks through its brewing, bottling and malting, and supply business.

All of the company's business is performed in the United Kingdom.

2 Costs and overheads, less other income

	2000 £000	1999 £000
Raw materials and consumables	429,778	497,178
Excise duty on own products	529,824	572,792
Staff costs (note 3a)	111,126	122,683
Depreciation of tangible fixed assets		
- owned	63,463	71,404
- held under finance leases and hire purchase contracts	1,929	3,819
Maintenance and repairs	22,863	22,474
Advertising costs	16,323	17,739
Other external charges	219,220	245,666
Government grants released	-	(244)
Change in stocks of finished goods and work in progress	(1,689)	(2,320)
Income from fixed asset investments	(5,009)	(5,012)
	<u>1,387,828</u>	<u>1,546,179</u>

2000
£000

1999
£000

The following amounts are included above:

Operating lease rentals	- plant and machinery	5,686	6,313
	- property	2,035	2,075
Auditors' remuneration	- audit work	-	175
	- non-audit work	24	54
Research and development expenditure		<u>1,470</u>	<u>1,650</u>

The cost of the current year's audit is being borne by Bass PLC.

Notes to financial statements (continued)

3 Staff

a) Costs

	2000 £000	1999 £000
Employee costs during the period amounted to:		
Wages and salaries	94,487	106,737
Employee profit share scheme	4,254	2,661
Social security costs	8,987	9,908
Pensions	3,398	3,377
	<u>111,126</u>	<u>122,683</u>

b) Average number of employees

The average number of persons employed by the Company during the period including part time employees was as follows:

	2000 Number	1999 Number
Production	1,752	1,917
Sales	1,427	1,448
Administration	497	548
	<u>3,676</u>	<u>3,913</u>

c) Pension

The company was a member of the Bass Pension Plan and the Bass Executive Pension Plan during the period. The plans are both defined benefit schemes and the assets of which are held in self-administered trust funds separate from Bass PLC's assets.

The latest actuarial valuations of the plans were made at 31 March 1999 but take into account the removal of tax credits announced subsequently. The significant assumptions in these valuations were that wages and salaries increase on average by 4.0% per annum, the long-term return on assets is 6.0% per annum. The average expected remaining service life of current employees is 14 years.

At 31 March 1999, the actuarial value of the assets was sufficient to cover 116% of the benefits that had accrued to members after allowing for expected increases in earnings.

The regular pension cost of providing these scheme benefits, charged to the profit and loss account, was £12,493,000 (1999: £12,005,000) with variation from regular pension cost of £9,095,000 (1999: £8,628,000). The company has no other significant post-retirement benefit obligations.

In the following year the value attributable to the Bass Brewers Limited's element of the fund will be transferred to Interbrew Belgium SA.

Notes to financial statements (continued)

d) Directors' remuneration:

Directors' remuneration was paid in respect of directors of the company as follows:

	2000	1999
	£000	£000
Fees as directors	1,101	799
Other emoluments	90	61
Bonuses	2,177	274
	<u>3,368</u>	<u>1,134</u>

The directors' remuneration shown above included:

Remuneration of highest paid director:	2000	1999
	£000	£000
Total emoluments	1,232	180
Accrued pension at year end	<u>131</u>	<u>33</u>

All of the directors are accruing retirement benefits under defined benefit schemes.

4 Profit on sale of fixed assets

	2000	1999
	£000	£000
Property	-	276
Other fixed assets	231	309
	<u>231</u>	<u>585</u>

5 Interest payable and similar charges

	2000	1999
	£000	£000
Bank borrowings and other loans	<u>14,528</u>	<u>17,006</u>

Included in the above is the interest element of charges payable under finance leases (and hire purchase contracts) amounting to £3,000 (1999: £37,000).

Included in the above is £13,980,000 (1999: £16,040,000) payable to Bass Holdings Limited.

Notes to financial statements (continued)

6 Tax on profit on ordinary activities

	2000 £000	1999 £000
UK Corporation tax - current period at 31.5%(1999:30.5%)	27,663	34,387
	<u>27,663</u>	<u>34,387</u>
(Over)/Under provision in prior years	(738)	247
	<u>26,925</u>	<u>34,634</u>

The effective tax rate for the current period is higher than standard as a result mainly of disallowable entertaining expenditure.

Had the Company been providing the full amount of potential deferred taxation, the charge for the period would have been increased as follows:

Capital allowances	(3,590)	(4,756)
Other timing differences	(229)	3,219
	<u>(3,819)</u>	<u>(1,537)</u>

7 Dividends paid and proposed

	2000 £000	1999 £000
Ordinary		
- interim paid	158,200	405
	<u>158,200</u>	<u>405</u>

8 Intangible fixed assets

	Brand Rights £000
At 2 October 1999	-
Additions	5,001
At 26 August 2000	<u>5,001</u>

In accordance with the company's accounting policy, no amortisation has been charged during the period of acquisition. From 27 August 2000 Brand Rights are being written off in equal annual instalments over their estimated economic life of 20 years.

Notes to financial statements (continued)

9 Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost or valuation				
At 2 October 1999	98,366	441,400	394,317	934,083
Additions	529	15,224	31,722	47,475
Disposals	-	(707)	(69,620)	(70,327)
At 26 August 2000	<u>98,895</u>	<u>455,917</u>	<u>356,419</u>	<u>911,231</u>
Depreciation				
At 2 October 1999	13,849	256,068	203,332	473,249
Provided in the period	2,700	25,206	37,823	65,729
Disposals	-	(119)	(65,694)	(65,813)
At 26 August 2000	<u>16,549</u>	<u>281,155</u>	<u>175,461</u>	<u>473,165</u>
Net book value				
At 2 October 1999	84,517	185,332	190,985	460,834
At 26 August 2000	<u>82,346</u>	<u>174,762</u>	<u>180,958</u>	<u>438,066</u>
At 26 August 2000 the cost of depreciable assets included in the above was:	<u>87,276</u>	<u>455,917</u>	<u>356,419</u>	<u>899,612</u>
The net book value of assets held under finance leases included in the total above was:				
At 2 October 1999	-	-	5,414	5,414
At 26 August 2000	-	-	4,206	4,206

Analysis of land and buildings

	Cost £000	Depreciation £000	Net Book Value £000
At 26 August 2000:			
Unlicensed properties	3,809	(443)	3,366
Freehold	91,763	(15,057)	76,706
Leasehold under 50 years	3,323	(1,049)	2,274
Total properties	<u>98,895</u>	<u>(16,549)</u>	<u>82,346</u>

These accounts incorporate valuations performed in the prior period on the Company's properties, other than leasehold properties having an unexpired term of 50 years or less and breweries and maltings, which continue to be stated at cost or previous valuation less accumulated depreciation. The valuations recorded are as advised by external valuers, Chesterton plc, and were conducted in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The basis of valuation was existing use value.

Notes to financial statements (continued)

Historical cost of land and buildings

	Cost £000	Depreciation £000	Net Book Value £000
At 26 August 2000:	105,697	36,419	69,278
At 2 October 1999	108,651	32,824	75,827

10 Fixed asset investments

	Subsidiary Undertakings £000	Associated Undertakings £000	Trade Loans and advances £000	Total £000
Cost:				
At 2 October 1999	3,714	495	231,270	235,479
Additions	-	-	55,816	55,816
Disposals	-	-	(96,557)	(96,557)
At 26 August 2000	3,714	495	190,529	194,738

Provision for diminution in value:

At 2 October 1999	-	-	26,933	26,933
Provided for the period	-	-	7,377	7,377
Eliminated on disposals	-	-	(14,693)	(14,693)
At 26 August 2000	-	-	19,617	19,617
Net book value:				
At 2 October 1999	3,714	495	204,337	208,546
At 26 August 2000	3,714	495	170,912	175,121

Notes to financial statements (continued)

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows: -

Name of Company	Country of Registration and Operation	Holding	Proportion of Voting Rights	Nature of Business
Subsidiary undertakings				
Bass and Tennent Sales Limited	England	Ordinary	100%	Dormant
International Beer Importers Limited	and	Ordinary	100%	Dormant
Premium Beer Company Limited	Wales	Ordinary	100%	Dormant

Associated Undertakings

Grolsch UK Limited	England and Wales	Ordinary	49%	Supply of Beer
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Given that none of the above investments principally affect the results or assets of Bass Brewers Limited, exemption from additional disclosure has been taken.

11 Stocks

	2000 £000	1999 £000
Raw materials	16,335	21,132
Consumable stores	19,975	20,784
Work-in-progress	7,209	6,531
Finished goods	40,979	39,968
	<u>84,498</u>	<u>88,415</u>

The replacement cost of stocks approximates to the value above.

12 Debtors

	2000 £000	1999 £000
Amounts falling due within one year:		
Trade debtors	254,935	367,668
Amounts owed by group undertakings	60,098	69,636
Amounts owed by associated undertakings	5,656	3,109
Other debtors	52,535	4,791
Prepayments and accrued income	18,471	11,289
	<u>391,695</u>	<u>456,493</u>

Notes to financial statements (continued)

13 Creditors: Amounts falling due within one year

	2000 £000	1999 £000
Obligations under finance leases and hire purchase contracts	-	1,020
Borrowings	-	19
Trade creditors	76,153	47,780
Amounts owed to group undertakings	3,685	7,971
Amounts owed to associated undertakings	3,875	2,302
Other creditors		
- UK corporation tax payable	17,858	40,408
- other taxation and social security	74,831	79,580
- other creditors	-	8,883
Accruals and deferred income		
- Other	124,969	103,968
	<u>301,371</u>	<u>291,931</u>

14 Creditors: Amounts falling due after more than one year

	2000 £000	1999 £000
Borrowings	-	313
Holding Company Loans	240,000	240,000
Amounts owed to group undertakings	3,714	3,714
Accruals and deferred income	-	947
	<u>243,714</u>	<u>244,974</u>

A holding company loan of £240,000,000 was issued on 24th August 1996 and is repayable in full in 20 years. Interest accrues quarterly at LIBOR + 0.45%.

Notes to financial statements (continued)

15 Provisions for liabilities and charges

Provisions for liabilities and charges comprise:

	2000 £000	1999 £000
Reorganisation provisions (note 15b)	208	2,594
Vacant Leasehold Properties Provision (note 15b)	688	971
	<u>896</u>	<u>3,565</u>

a) Deferred taxation

Deferred taxation has been provided to the extent that the directors have concluded on the basis of reasonable assumptions and the intentions of management that it is probable that part of the liability will crystallise.

The provision and related movement on deferred taxation comprises:

	£000
At 2 October 1999 and 26 August 2000	<u>-</u>

The amounts of unprovided deferred taxation are as follows:

	2000 £000	1999 £000
Excess of tax allowances over book depreciation of fixed assets	57,485	61,075
Other timing differences related to		
- current assets and liabilities	<u>(1,428)</u>	<u>(1,199)</u>
	<u>56,057</u>	<u>59,876</u>

b) Other provisions

The provision and related movement on other provisions comprises:

	Reorganisation provisions £000	Vacant Leasehold Property provisions £000	Total £000
At 2 October 1999	2,594	971	3,565
Profit and loss account	-	(66)	(66)
Expenditure	<u>(2,386)</u>	<u>(217)</u>	<u>(2,603)</u>
At 26 August 2000	<u>208</u>	<u>688</u>	<u>896</u>

Notes to financial statements (continued)

16 Notes to the Statement of Cash Flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2000 £000	1999 £000
Operating profit	87,912	126,779
Depreciation	65,729	75,223
Decrease/(increase) in debtors	69,138	(35,733)
Decrease in stocks	3,917	5,477
Increase/(decrease) in creditors	34,243	(55,797)
Dividends received	(2,000)	(506)
Net cash inflow from operating activities	<u>258,939</u>	<u>115,443</u>

b) Analysis of cash flows for headings netted in the statement of cash flows

Returns on Investments and Servicing of Finance	2000 £000	1999 £000
Interest received	(24)	(370)
Interest paid	14,525	16,969
Interest element of finance lease rentals payments	3	37
Interest received on loans from associated undertaking	(129)	(143)
Dividends received	(2,000)	(506)
	<u>12,375</u>	<u>15,987</u>

Taxation	2000 £000	1999 £000
Corporation tax paid	<u>49,475</u>	<u>37,714</u>

Capital Expenditure and Financial Investment	2000 £000	1999 £000
Payment to acquire intangible fixed assets	5,001	-
Payment to acquire tangible fixed assets	46,754	70,353
Receipts from sales of tangible fixed assets	(4,745)	(9,926)
Payments to acquire fixed asset investments	55,816	43,343
Receipts from sales of fixed asset investments	(81,864)	(80,801)
	<u>20,962</u>	<u>22,969</u>

Notes to financial statements (continued)

16 Notes to the Statement of Cash Flows (continued)

(b) Analysis of cash flows for headings netted in the statement of cash flows

Financing	2000 £000	1999 £000
Repayment of bank loans	332	13,455
Repayments of capital element of finance leases and hire purchase contracts	3,534	4,095
	<u>3,866</u>	<u>17,550</u>

c) Analysis of changes in net debt

	At 2 October 1999	Cash flow £000	Other changes £000	At 26 August 2000
Cash at bank and in hand	35,458	14,061	-	49,519
Debt due within one year	(19)	19	-	-
Debt due after one year	(313)	313	-	-
Finance leases and hire purchase contracts	(1,020)	3,534	(721)	1,793
	<u>34,106</u>	<u>17,927</u>	<u>(721)</u>	<u>51,312</u>

d) Non-cash transactions

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of £721,000 (1999: £2,847,000).

Notes to financial statements (continued)

17 Called-up share capital

	2000	1999
<i>Authorised, allotted, called-up and fully-paid</i>	<i>£000</i>	<i>£000</i>
1,721,600 deferred shares of £1 each	1,722	1,722
100 US\$ ordinary shares of 1 US cent each	-	-
	<u>1,722</u>	<u>1,722</u>

The 1 cent shares were issued as a fully paid up bonus issue to Bass Holdings Limited, the owner then and now of all of the deferred £1 shares. The 100 shares of 1 US cent were surrendered on the same day of issue in return for a warrant entitling the bearer to 100 fully paid-up ordinary shares of 1 US cent. Bass Holdings Limited continues to hold the warrant. The bearer of the share warrant is entitled to the same rights and privileges as a holder of the specified shares.

For so long as the 1 US Cent shares remain in issue the holders of the Deferred Shares shall not be entitled to any participation in the profits or assets of the company until the holders of every other class of shares in the capital of the company shall have received on a return of asset or liquidation or otherwise £100 million in respect of each share held. The company has the power and authority to purchase all or any of the Deferred Shares for an aggregate consideration of £1 which shall be applied for the benefit of the Company.

18 Contingent liabilities and financial commitments

(a) There are contingent liabilities not provided for in the accounts relating to:

	2000	1999
	<i>£000</i>	<i>£000</i>
Potential liability in respect of property disposal	-	75
	<u>-</u>	<u>75</u>

(b) The Company has annual commitments under operating leases, which expire as follows:

	Properties 2000 £000	Other 2000 £000	Properties 1999 £000	Other 1999 £000
Within 1 year	25	296	-	311
Between 1 and 5 years	293	452	71	414
After 5 years	2,851	-	2,998	3
	<u>3,169</u>	<u>748</u>	<u>3,069</u>	<u>728</u>

(c) Capital commitments at the end of the period for which no provision has been made are as follows:

	2000	1999
	<i>£000</i>	<i>£000</i>
Contracted	5,261	6,921
	<u>5,261</u>	<u>6,921</u>

19 Related Party Disclosure

At the period end the company was not a subsidiary undertaking of Bass PLC and therefore all material transactions with Bass PLC and its subsidiaries, disclosed as "discontinuing related parties", during its period of ownership, require disclosure.

The company guarantees individual loans under the Bank Interest Differential Scheme. At 26 August 2000, the total amount guaranteed by the company was £14,000 (1999:£ 57,000).

Bank Interest Differential Scheme Interest is paid at between 1% and 2.5% above bank base rates.

Notes to financial statements (continued)

During the period the company entered into transactions in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 2 October 1999 and 26 August 2000 are:-

	Sales to related party £'000	Purchases from related party £'000	Management charge from related party £'000	Royalties charged from related party £'000	Interest charged to/(from) related party £'000	Leasing charges from related party £'000	Amounts owed from related party £'000	Amounts owed to related party £'000
<i>Continuing related parties</i>								
Bass Holdings Ltd								
2000	-	-	-	-	(13,980)	-	-	193,377
1999	-	-	-	-	(16,040)	-	-	306,715
Bass Ireland Ltd								
2000	7,890	2,784	-	-	-	-	5,915	-
1999	8,523	3,976	-	-	-	-	4,064	-
Bass Beers Worldwide Ltd								
2000	33,495	-	-	-	-	-	5,009	-
1999	40,557	-	-	-	-	-	3,156	-
Prazske Pivovary as								
2000	178	1,265	-	-	124	-	-	515
1999	218	1,285	-	-	366	-	2,767	-
<i>Discontinuing related parties</i>								
Bass PLC								
2000	-	-	-	-	-	-	12,740	-
1999	-	-	4,847	-	-	-	250,678	-
Bass Taverns Ltd								
2000	232,387	-	-	-	-	-	40,049	-
1999	257,967	-	-	-	-	-	21,193	-
Bass International Brewers Ltd								
2000	-	-	-	-	-	-	4,989	-
1999	-	-	-	-	-	-	11,616	-
Bass Car Leasing Ltd								
2000	-	-	-	-	-	2,194	-	-
1999	-	-	-	-	-	1,950	-	179
Bass Channel Islands Ltd								
2000	307	-	-	-	-	-	-	-
1999	388	-	-	-	-	-	-	-
Bass Developments Ltd								
2000	-	-	-	-	-	-	-	39
1999	-	-	-	-	-	-	3,349	-
Bass Machine Holdings Ltd								
2000	-	-	-	6,251	-	-	-	3,311
1999	-	-	-	-	-	-	-	-
Britvic Ltd								
2000	1,004	32,191	-	-	-	-	-	34
1999	1,372	36,103	-	-	118	-	2,996	-
Cooper Leasing Ltd								
2000	-	-	-	-	-	587	-	-
1999	-	-	-	-	-	808	-	65
Union Leasing Ltd								
2000	-	-	-	-	-	512	-	-
1999	-	-	-	-	-	646	-	55
Holiday Hospitality UK Ltd								
2000	3,120	-	-	-	-	-	21	-
1999	2,912	-	-	-	-	-	-	-

Notes to financial statements (continued)

		Sales to related party £'000	Purchases from related party £'000	Management charge from related party £'000	Royalties charged from related party £'000	Interest charged to/(from) related party £'000	Leasing charges from related party £'000	Amounts owed from related party £'000	Amounts owed to related party £'000
Bass Brewers (Intellectual Property) BV									
	2000	-	-	-	881	-	-	-	1,121
	1999	-	-	-	-	-	-	-	-
Bass Hotels and Resorts International BV									
	2000	-	-	-	-	-	-	-	-
	1999	-	-	-	-	-	-	-	5,864
Bass International Holdings NV									
	2000	-	-	-	-	-	-	-	-
	1999	-	-	-	963	-	-	-	1,198
Ginsber Ltd									
	2000	-	-	-	-	-	-	-	-
	1999	-	-	-	-	-	-	491	-
Bass International Brewers (Overseas) Holdings Ltd									
	2000	-	-	-	-	-	-	-	-
	1999	-	-	-	-	-	-	1773	-
Chateau Lascombe Ltd									
	2000	-	102	-	-	-	-	-	-
	1999	-	109	-	-	-	-	155	-
Bass Overseas Holding Ltd									
	2000	-	-	-	-	-	-	-	-
	1999	-	-	-	-	-	-	8,910	-

20 Ultimate parent undertaking and controlling party

The Company is a subsidiary undertaking of Bass Holdings Limited incorporated in the United Kingdom and registered in England and Wales.

On 22 August 2000, the company's immediate holding company was acquired by Interbrew UK Holdings Limited. The ultimate parent undertaking is Interbrew SA, a company incorporated in Belgium.