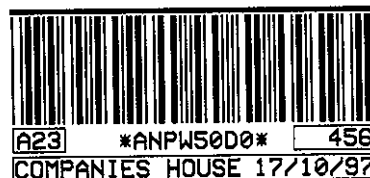


Brent Walker Breweries (Hartlepool) Limited

Directors' report and financial statements

31 December 1996

Registered number 42567



Contents

Directors' report	1
Statement of directors' responsibilities in relation to the financial statements	2
Auditors' report to the members of Brent Walker Breweries (Hartlepool) Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

Principal activities and business review

The company did not trade during the year. The state of the company's affairs and its result for the year are shown in the attached financial statements. The directors do not recommend the payment of a dividend for the year (1995: £nil). The retained loss for the year is £5,072,000 (1995:£nil)

Directors and directors' interests

The directors who held office during the year were as follows:

FEJG Brackenbury (resigned 31 May 1996)

KG Dibble

JR Sands (resigned 3 December 1996)

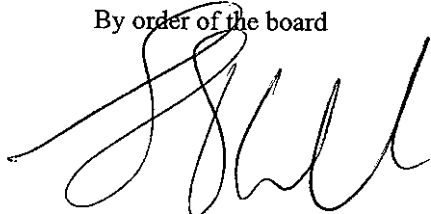
JL Leach (appointed 3 December 1996)

CH Critchlow (appointed 31 May 1996 and resigned 3 December 1996)

None of the directors had any beneficial interest in the shares of the company at any time during the year.

At the beginning and end of the year KG Dibble and JL Leach were also directors of the ultimate parent company, The Brent Walker Group PLC. Their interests in the share capital of that company are disclosed in the financial statements of Brent Walker Group PLC.

By order of the board



KG Dibble

Secretary

53-54 Brook's Mews
London
W1Y 2NY

28 August 1997

Statement of directors' responsibilities in relation to the financial statements

The following statement, which should be read in conjunction with the report of the auditors, describes the responsibilities of the directors 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 at the end of the financial year and of the profit and loss for the financial year.

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; and
- 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 ensuring that the company keeps accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors also 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.



KPMG Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Auditors' report to the members of Brent Walker Breweries (Hartlepool) Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

As described on page 2 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.

Going concern

In forming our opinion we have considered the adequacy of the disclosures made in note 2 of the financial statements concerning the uncertainty over the ability of the company to continue as a going concern. This depends primarily on the financial position of its ultimate parent undertaking, The Brent Walker Group PLC as described in note 2 to the financial statements, which also explains why the going concern basis of preparing the financial statements has been adopted and the consequences for the company's financial position should this basis be inappropriate. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Rong Air Dh

KPMG Audit Plc

Chartered Accountants
Registered Auditor

17 September 1997

Profit and loss account

for the year ended 31 December 1996

	1996 £000	1995 £000
Dividends payable	(5,072)	-
Retained loss for the financial year	(5,072)	-
Retained profit brought forward	5,072	5,072
Retained profit carried forward	-	5,072

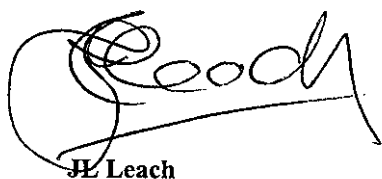
There were no recognised gains or losses other than those shown in the profit and loss account (1995: £nil).

Balance sheet

at 31 December 1996

	<i>Note</i>	1996 £000	1995 £000
Current assets			
Debtors	4	11,880	16,952
Net assets		<u>11,880</u>	<u>16,952</u>
Capital and reserves			
Called up share capital - equity	5	11,153	11,153
Share premium account		174	174
Profit and loss account		-	5,072
Equity shareholders' funds		<u>11,327</u>	<u>16,399</u>
Called up share capital - non equity	5	553	553
Shareholders' funds	6	<u>11,880</u>	<u>16,952</u>

The financial statements were approved by the board of directors on 28 August 1997 and were signed on its behalf by:



JL Leach

Director

Notes

(forming part of 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.

Basis of preparation

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

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The Brent Walker Group PLC, and its cash flows are included within the consolidated cash flow statement of that company.

2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the ultimate parent undertaking, The Brent Walker Group PLC ("Brent Walker"), will continue trading. The ability of Brent Walker to continue trading is dependent on:

- i) receiving the on-going support of the Brent Walker Group's lenders, with the continuing provision of adequate facilities;
- ii) not being required to make any significant payments in respect of outstanding claims; and
- iii) being able to enter into arrangements whereby certain non-restructured debts will not be payable in full on demand but in a manner satisfactory to the Brent Walker Group's lenders.

Should Brent Walker be unable to continue trading adjustments may have to be made to the value of assets to reflect their realisable amounts and to provide for any liabilities that might arise.

The directors have considered Brent Walker's ability to continue trading and, based on assurances received from the directors of Brent Walker, consider that it is appropriate for the financial statements to be prepared on a going concern basis.

3 Remuneration of directors

None of the directors received any remuneration from the company during the year (1995: £Nil).

4 Debtors

	1996 £000	1995 £000
Amounts due from parent company	11,880	16,952

Notes (continued)

5 Called up share capital

	1996 £000	1995 £000
<i>Authorised</i>		
45,786,904 Ordinary shares of 25p each	11,447	11,447
253,274 5% preference shares of £1 each	253	253
300,000 6% preference shares of £1 each	300	300
	<hr/> 12,000	<hr/> 12,000
<i>Allotted, called up and fully paid</i>		
44,612,112 Ordinary shares of 25p each	11,153	11,153
253,274 5% preference shares of £1 each	253	253
300,000 6% preference shares of £1 each	300	300
	<hr/> 11,706	<hr/> 11,706
	<hr/> <hr/>	<hr/> <hr/>

6 Reconciliation of movements in shareholders' funds

	1996 £000	1995 £000
Dividends payable	(5,072)	-
Opening shareholders' funds	16,952	16,952
	<hr/>	<hr/>
Closing shareholders' funds	11,880	16,952
	<hr/> <hr/>	<hr/> <hr/>

7 Contingent liabilities

The borrowings of the Brent Walker group are secured by fixed and floating charges over the major part of the group's assets, including those of the company.

The company is party to a group bank guarantee to secure the loan facilities of the Brent Walker Group. The contingent liability under this group arrangement at 31 December 1996 was £1,059 million (1995:£1,193 million).

8 Ultimate parent company

The company is a subsidiary undertaking of The Brent Walker Group PLC which is incorporated in Great Britain and registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by The Brent Walker Group PLC. The consolidated financial statements of the group are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3HZ.