

Company Registration No. 283393 (England and Wales)

COMPANIES HOUSE COPY

SHAW WALLACE OVERSEAS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998



St Alphage House 2 Fore Street London EC2Y 5DH

SHAW WALLACE OVERSEAS LIMITED

COMPANY INFORMATION

Directors

M R Chhabria
R K Jain
D Srinivasan
P L Narasimhan

Secretary

A1 Company Services Limited

Company number

283393

Registered office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Auditors

Hacker Young
St Alphage House
2 Fore Street
London
EC2Y 5DH

Bankers

Barclays Bank Plc
54 Lombard Street
London
EC3V 9EX

Lloyds TSB Bank Plc
72 Fenchurch Street
London
EC3P 3EH

SHAW WALLACE OVERSEAS LIMITED

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SHAW WALLACE OVERSEAS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 1998

The directors present their report and financial statements for the year ended 31 March 1998.

Principal activities and review of the business

The company did not trade in the year and as set out in the post balance sheet events note below sold its interest in its joint venture company USW Limited after the year end.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Post balance sheet events

On 4 June 1999 the company sold its joint venture interest in USW Limited for £150,000. Also on that date it entered into a royalty agreement with that company in respect of the future sales of 'Lal Toofan' beer. A minimum royalty of £400,000 over a five year period has been guaranteed.

Year 2000

The directors have reviewed the company's software systems in the context of the millennium date. The directors are satisfied that the principal systems comply with the date change requirements. Following the passing of the millennium date they have not encountered any problems in respect of the date change.

Directors

The following directors have held office since 1 April 1997:

M R Chhabria

R K Jain

D Srinivasan

P L Narasimhan

Directors' interests

The directors had no interests in the shares of the company. The directors' interests in the shares of the holding company are disclosed in that company's financial statements.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

SHAW WALLACE OVERSEAS LIMITED

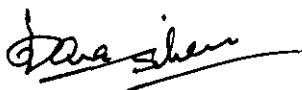
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

Directors' responsibilities

Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis.

On behalf of the board



P L Narasimhan

Director

14 January 2000



Chartered Accountants

St Alphage House
2 Fore Street
London EC2Y 5DH

SHAW WALLACE OVERSEAS LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF SHAW WALLACE OVERSEAS LIMITED

We have audited the financial statements on pages 4 to 10. These have been prepared in accordance with the basis and the accounting policies set out on page 6.

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

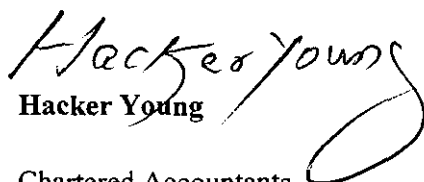
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Also in our opinion the company is entitled, for the year ended 31 March 1998, to the requirement conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.


Hacker Young

Chartered Accountants
Registered Auditor

14 January 2000

SHAW WALLACE OVERSEAS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £	1997 £
Distribution costs		-	(348)
Administrative expenses		(23,013)	(23,390)
		<hr/>	<hr/>
Operating loss	2		
Continuing operations		-	-
Discontinued activities		(23,013)	(23,738)
		<hr/>	<hr/>
		(23,013)	(23,738)
Provision against investment	2	(176,000)	-
		<hr/>	<hr/>
Loss on ordinary activities before interest		(199,013)	(23,738)
Amounts written off investments	3	-	(2,256)
Interest payable and similar charges	4	(4,799)	(6,112)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(203,812)	(32,106)
Tax on loss on ordinary activities	5	3,600	893
		<hr/>	<hr/>
Loss on ordinary activities after taxation	12	(200,212)	(31,213)
		<hr/>	<hr/>

The company's operation in the year continued unchanged.

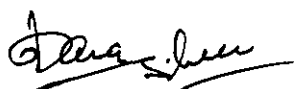
There are no recognised gains and losses other than those passing through the profit and loss account.

SHAW WALLACE OVERSEAS LIMITED

BALANCE SHEET AS AT 31 MARCH 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Intangible assets	6	300,000		-	
Investments	7	153,400		629,400	
		<u>453,400</u>		<u>629,400</u>	
Current assets					
Debtors	8	82,022		191,175	
Cash at bank and in hand		49,615		16,649	
		<u>131,637</u>		<u>207,824</u>	
Creditors: amounts falling due within one year	9	<u>(62,036)</u>		<u>(111,106)</u>	
Net current assets		<u>69,601</u>		<u>96,718</u>	
Total assets less current liabilities		<u>523,001</u>		<u>726,118</u>	
Creditors: amounts falling due after more than one year	10	<u>(113,090)</u>		<u>(115,995)</u>	
		<u>409,911</u>		<u>610,123</u>	
Capital and reserves					
Called up share capital	11	357,745		357,745	
Revaluation reserve	12	2,424		2,424	
Profit and loss account	12	49,742		249,954	
Shareholders' funds - equity interests	13	<u>409,911</u>		<u>610,123</u>	

The financial statements were approved by the Board on 14 January 2000



P L Narasimhan
Director



D Srinivasan
Director

JK

SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Patents and royalties

Patents and royalties are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives being ten years.

1.3 Investments

Fixed asset investments traded on a recognised Exchange are stated at market value. All other fixed asset investments are stated at cost. A provision is made only for a permanent diminution in value.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating loss	1998	1997
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	2,000	2,000
	<u> </u>	<u> </u>
3 Amounts written off investments	1998	1997
	£	£
Amounts written off fixed asset investments:		
- permanent diminution in value	176,000	2,256
	<u> </u>	<u> </u>

SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

4 Interest payable	1998	1997
	£	£
On bank loans and overdrafts	-	776
On overdue tax	4,799	5,336
	<u>4,799</u>	<u>6,112</u>
5 Taxation	1998	1997
	£	£
Prior years		
U.K. Corporation tax	(3,600)	(893)
	<u>(3,600)</u>	<u>(893)</u>

On the basis of these financial statements no provision has been made for corporation tax.

6 Intangible fixed assets	Patents and royalties
	£
Cost	
At 1 April 1997	-
Transfer from shares in participating interests	300,000
	<u>300,000</u>
At 31 March 1998	<u>300,000</u>

On 4 June 1999 the company sold its joint venture interest in USW Limited for £150,000. Also on that date it entered into a royalty agreement with that company in respect of the future sales of 'Lal Toofan' beer. A minimum royalty of £400,000 over a five year period has been guaranteed. The minimum royalty income stream has been discounted at a rate of 10% to arrive at a net present value of £300,000. This amount has been transferred from the cost of shares in participating interests (see note 7).

SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

7 Fixed asset investments

	Listed investments	Shares in participating interests	Shares in subsidiary undertaking	Total
	£	£	£	£
Cost or valuation				
At 1 April 1997	7,156	625,000	1,000	633,156
Transfer to patents and royalties	-	(300,000)	-	(300,000)
At 31 March 1998	7,156	325,000	1,000	333,156
Provisions for diminution in value				
At 1 April 1997	3,756	-	-	3,756
Provision made in the year	-	175,000	1,000	176,000
At 31 March 1998	3,756	175,000	1,000	179,756
Net book value				
At 31 March 1998	3,400	150,000	-	153,400
At 31 March 1997	3,400	625,000	1,000	629,400

Holdings of more than 20%

The company had more than 20% of the share capital of the following companies as at 31 March 1998 which were disposed of or dissolved after the year end.

Company	Country of registration or incorporation	Shares held	
		Class	%
Participating interests			
USW Limited	England	Ordinary	50

Kingfisher Breweries Plc was dormant since incorporation and at the year end had capital and reserves of £1,000.

The aggregate amount of capital and reserves and the results of USW Limited for year ended 31 October 1997 were as follows:

	Capital and Profit for the reserves	year
USW Limited	785,000	(266,000)

SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

(i) At 31 March 1998 the company owned 625,000 ordinary shares of £1 each in USW Limited, a joint venture company, incorporated in the United Kingdom. As set out in note 6 the company sold this investment on 4 June 1999. A provision of £175,000 has been made for a permanent diminution in the value of this investment.

(ii) Listed investments comprise 15,187 ordinary shares of SLRs.10 each in Shaw Wallace & Hedges Limited a group company, incorporated in Sri Lanka.

(iii) Kingfisher Breweries Plc was dissolved on 28 September 1999 and a full provision of £1,000 has been made for the permanent diminution in value.

8 Debtors	1998	1997
	£	£
Amounts owed by undertaking in which the company has a participating interest	81,042	191,042
Other debtors	980	133
	<u>82,022</u>	<u>191,175</u>
9 Creditors: amounts falling due within one year	1998	1997
	£	£
Trade creditors	1,737	6,794
Amounts owed to parent and fellow subsidiary undertakings	34,099	34,099
Corporation tax	-	60,163
Accruals and deferred income	26,200	10,050
	<u>62,036</u>	<u>111,106</u>
10 Creditors: amounts falling due after more than one year	1998	1997
	£	£
Amounts owed to parent and fellow subsidiary undertakings	<u>113,090</u>	<u>115,995</u>
11 Share capital	1998	1997
	£	£
Authorised		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
357,745 Ordinary shares of £1 each	<u>357,745</u>	<u>357,745</u>

SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

12 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 1997	2,424	249,954
Retained loss for the year	-	(200,212)
Balance at 31 March 1998	2,424	49,742

13 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Loss for the financial year	(200,212)	(31,213)
Opening shareholders' funds	610,123	641,336
Closing shareholders' funds	409,911	610,123

14 Employees

Number of employees

There were no employees during the year apart from the directors.

Employment costs

	1998 £	1997 £
Social security costs	-	1,196

15 Control

The immediate parent company is Shaw Wallace & Company Limited, a company incorporated in India.

16 Post balance sheet events

On 4 June 1999 the company sold its joint venture interest in USW Limited for £150,000. Also on that date it entered into a royalty agreement with that company in respect of the future sales of 'Lal Toofan' beer. A minimum royalty of £400,000 over a five year period has been guaranteed.