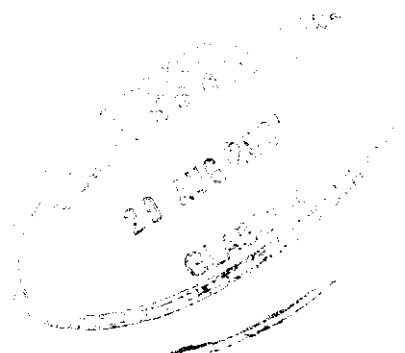


SEAGRAM UNITED KINGDOM LIMITED
(Registered Number 560661)

REPORT AND ACCOUNTS

31 OCTOBER 2000



GLA G0QIU3M7 0022
COMPANIES HOUSE 29/08/01

SEAGRAM UNITED KINGDOM LIMITED

REPORT OF THE DIRECTORS

The directors of Seagram United Kingdom Limited ("the Company") submit their report and the financial statements of the Company for the four month period ended 31 October 2000.

REVIEW OF THE BUSINESS

The principal activity of the Company during the four month period was the sale of spirits and wine.

On 20 June 2000 it was announced that there would be a merger between The Seagram Company Ltd. ("TSCL"), Vivendi and Canal+. This merger was completed on 11 December 2000 and the ultimate parent undertaking is now Vivendi Universal S.A. When this merger was announced it was stated in the press release that TSCL's spirits and wines business would be sold. The Company has undertaken certain transactions during the four month period ended 31 October 2000.

On 27 October 2000:

- (i) the Company resolved that the accounting reference date be changed from 30 June to 31 October, and these financial statements are the first to be drawn up to this new accounting reference date.
- (ii) ownership of the entire share capital of Oddbins Limited was transferred to Seagram Distillers PLC ("SDPLC"), the Company's immediate parent undertaking at that date, from the Company by way of a dividend in specie.
- (iii) SDPLC sold the entire issued share capital of the Company to The Seagram Finance Company Limited ("SEFCO"), a fellow subsidiary undertaking of TSCL.

RESULTS AND DIVIDENDS

The results of the Company for the four month period are shown in the profit and loss account on page 5.

An interim dividend in specie of £25,000,000 representing the Company's entire shareholding in Oddbins Limited and a further interim dividend of £44,500,000 were declared and paid during the four month period. The directors do not propose the payment of a final dividend (30 June 2000 - £nil) and an amount of £41,811,000 has been transferred from reserves (30 June 2000 - £11,353,000 transferred to reserves).

Despite the change in ownership detailed above, the Company will continue to progress the development of new and existing products in strategic areas of the United Kingdom liquor market with the overall intention of increasing its profitability and enhancing its return on assets.

SEAGRAM UNITED KINGDOM LIMITED

REPORT OF THE DIRECTORS (*continued*)

DIRECTORS AND THEIR INTERESTS

The directors of the Company who served during the four month period and to the date of this report were as follows:

I M Harris	
R D Macadam	(appointed 1 August 2000)
J E Malcolm	(resigned 23 July 2001)
J A Page	(appointed 1 August 2000)
RJ Ratcliffe	
TMT Wallis	
GP Wyatt	

None of the directors at the end of the four month period had any beneficial interest in the share capital of the Company, or any other group company in the United Kingdom either at the beginning or at the end of the period.

SUPPLIERS

The Company establishes trading terms, including payment terms, with each supplier either at the time an order is placed or from previously agreed practice with the supplier. The average period of credit taken by the Company was 30 days (30 June 2000 - 27 days). The Company reviews its arrangements with suppliers on a regular basis.

EMPLOYEES

The Company is firmly committed to the involvement of employees in the business through a policy of communication and consultation. The Company's policy for training and career development is to give full and fair consideration to any suitable person, including disabled persons, for all vacancies and opportunities.

AUDITORS

PricewaterhouseCoopers were re - appointed on 24 January 2001 and will continue in office.

By Order of the Board



GP Wyatt
Secretary

17 August 2001

Registered Office:
The Ark
201 Talgarth Road
London W6 8BN

SEAGRAM UNITED KINGDOM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF SEAGRAM UNITED KINGDOM LIMITED

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit 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 at 31 October 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors
Glasgow

17 August 2001

SEAGRAM UNITED KINGDOM LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE FOUR MONTH PERIOD ENDED 31 OCTOBER 2000

		Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
	Notes		
TURNOVER	1	53,108	181,476
Cost of sales		<u>(44,447)</u>	<u>(150,672)</u>
GROSS PROFIT		8,661	30,804
Distribution costs		(4,673)	(15,011)
Administrative expenses		<u>(1,513)</u>	<u>(4,410)</u>
OPERATING PROFIT		2,475	11,383
Net interest receivable/(payable)	3	214	(30)
Dividend received		<u>25,000</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	27,689	11,353
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD		27,689	11,353
Dividends	7	<u>(69,500)</u>	<u>-</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL PERIOD		<u>(41,811)</u>	<u>11,353</u>

Turnover and operating profit are derived from continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE FOUR MONTH PERIOD ENDED 31 OCTOBER 2000


		Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
	Notes		
(Loss)/profit for the financial period		(41,811)	11,353
Unrealised surplus on revaluation of investment	15, 16	<u>19,717</u>	<u>-</u>
Total recognised (losses)/gains for the financial period		<u>(22,094)</u>	<u>11,353</u>

SEAGRAM UNITED KINGDOM LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2000

	Notes	31 October 2000 £'000	30 June 2000 £'000
FIXED ASSETS			
Investments	8	3	5,286
CURRENT ASSETS			
Stocks	9	19,578	14,230
Debtors	10	69,408	88,674
Cash at bank and in hand	11	<u>1,563</u>	<u>150</u>
		90,549	103,054
CREDITORS - Amounts falling due within one year	12	<u>(33,377)</u>	<u>(29,071)</u>
NET CURRENT ASSETS		<u>57,172</u>	<u>73,983</u>
NET ASSETS		<u>57,175</u>	<u>79,269</u>
CAPITAL AND RESERVES			
Called up share capital	14	46,283	46,283
Share premium account	15	3,045	3,045
Profit and loss account	15	<u>7,847</u>	<u>29,941</u>
SHAREHOLDERS' FUNDS - EQUITY	16	<u>57,175</u>	<u>79,269</u>

Approved by the Board on 17 August 2001.


G P Wyatt, Director

SEAGRAM UNITED KINGDOM LIMITED

STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The Company is a wholly owned subsidiary of SEFCO and is included in the consolidated financial statements of this company which are publicly available. Consequently, the Company has taken advantage of the exemption for preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Group financial statements have not been prepared as permitted under Section 228 of the Companies Act 1985 as the Company is a wholly owned subsidiary of SEFCO, a company incorporated in Great Britain.

Fixed asset investments

The Company's investments in subsidiary undertakings are stated at directors' valuation. Other fixed asset investments are stated at cost. Income from such investments is included in the financial statements to the extent of dividends received.

Stocks

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

Deferred taxation

Deferred taxation on timing differences between profits computed for taxation purposes and profits as stated in the financial statements is provided only where there is reasonable evidence that it will become payable within the foreseeable future.

Foreign currencies

Transactions denominated in foreign currency are translated into sterling at the exchange rate at the date of the transactions and exchange differences arising on settlement are dealt with in the profit and loss account. Amounts receivable or payable in foreign currency have been translated into sterling at the exchange rate ruling at the balance sheet date and differences on exchange included in the profit and loss account.

Leases

The costs of operating leases are charged to the profit and loss account over the term of the lease on a straight line basis.

Pensions

The Company charges the cost of providing pension benefits against profits so that the charge represents a substantially level percentage of the current and expected future pensionable payroll over the average expected service lives of employees.

SEAGRAM UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 OCTOBER 2000

1 TURNOVER

Turnover represents the aggregate amount receivable in respect of goods and services sold, including excise duty, but excluding value added tax. Turnover originated from the United Kingdom and the geographical analysis of turnover, by destination, is given below:

	Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
United Kingdom	27,176	114,136
Europe	2,670	7,489
Asia and Africa	-	3,588
Other areas	<u>1,516</u>	<u>1,000</u>
	31,362	126,213
Duty	<u>21,746</u>	<u>55,263</u>
	<u>53,108</u>	<u>181,476</u>

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Operating leases - land and buildings	394	1,181
Rents receivable	(304)	(914)
Lease rental charged to SDPLC	(90)	(267)
Foreign exchange (gains)/losses	(41)	-
Auditors' remuneration in respect of audit services	32	31
Fees paid to auditors for other services to the Company	<u>-</u>	<u>8</u>

3 NET INTEREST RECEIVABLE/(PAYABLE)

	Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
Interest receivable from group undertaking	214	-
Payable on short-term borrowings	<u>-</u>	<u>(30)</u>
	<u>214</u>	<u>(30)</u>

SEAGRAM UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 OCTOBER 2000 *(continued)*

4 DIRECTORS' EMOLUMENTS

	Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
Aggregate emoluments	<u>320</u>	<u>479</u>

Of the directors who received remuneration in respect of their services to the Company none exercised share options during the four month period (30 June 2000 - three).

Retirement benefits under the group's defined benefit pension scheme in the United Kingdom are accruing to five directors (30 June 2000 - five) who received remuneration in respect of their services to the Company during the four month period.

The remuneration of the highest paid director was as follows:

	Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
Highest paid director		
Aggregate emoluments	134	190
Accrued pension per annum at end of financial period from defined benefit pension scheme	<u>50</u>	<u>49</u>

5 EMPLOYEES

	Four month period ended 31 October 2000 Number	Year ended 30 June 2000 Number
The average weekly number of persons employed by the Company was:		
United Kingdom	<u>114</u>	<u>112</u>
Staff costs amounted to	£'000	£'000
Wages and salaries	1,165	3,472
Social security costs	180	331
Pension costs (note 17)	<u>181</u>	<u>446</u>
	<u>1,526</u>	<u>4,249</u>

SEAGRAM UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 OCTOBER 2000 *(continued)*

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
The taxation charge for the four month period comprises:		
UK corporation tax at 30% (30 June 2000 – 30%)	797	3,466
Group relief surrendered from other group companies for nil consideration	<u>(797)</u>	<u>(3,466)</u>
	<u>-</u>	<u>-</u>

7 DIVIDENDS

	Four month period ended 31 October 2000 £'000	Year ended 30 June 2000 £'000
Interim dividend in specie (note 8)	25,000	-
Second interim dividend in cash	<u>44,500</u>	<u>-</u>
	<u>69,500</u>	<u>-</u>

8 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertaking £'000	Other investments £'000	Total £'000
At 1 July 2000	5,283	3	5,286
Revaluation (note 15)	19,717	-	19,717
Disposal	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>
At 31 October 2000	<u>-</u>	<u>3</u>	<u>3</u>

On 27 October 2000 the Company distributed its ownership of the entire shareholding of Oddbins Limited by means of a dividend in specie to its parent undertaking at that date and time, Seagram Distillers PLC. The dividend in specie represented the directors' best estimate of the market value of the Oddbins shares.

SEAGRAM UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 OCTOBER 2000 *(continued)*

9 STOCKS

	31 October 2000 £'000	30 June 2000 £'000
Raw materials and consumables	28	28
Finished goods and goods for resale	19,550	14,202
	<u>19,578</u>	<u>14,230</u>

10 DEBTORS

	31 October 2000 £'000	30 June 2000 £'000
Trade debtors	22,570	20,975
Amounts owed by group undertakings	42,676	64,998
Other debtors	3,106	2,419
Prepayments and accrued income	1,056	282
	<u>69,408</u>	<u>88,674</u>

11 CASH AT BANK AND IN HAND

Under the group's financing arrangements, the Company's bank accounts are part of group pooling arrangements and are offset against balances within other group companies in the United Kingdom. As a result of these arrangements the Company neither pays nor receives bank interest.

12 CREDITORS - Amounts falling due within one year

	31 October 2000 £'000	30 June 2000 £'000
Trade creditors	2,952	5,188
Other creditors	2,556	2,913
Amounts owed to group undertakings	20,851	16,727
Payroll taxation and social security	472	388
Accruals and deferred income	6,546	3,855
	<u>33,377</u>	<u>29,071</u>

SEAGRAM UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 OCTOBER 2000 *(continued)*

13 DEFERRED TAXATION

No provision for deferred taxation is recorded in the financial statements (30 June 2000 - £nil). The estimated total potential liability to deferred taxation, using an estimated corporation tax rate of 30% (30 June 2000 - 30%), may be analysed as follows:

	31 October 2000 £'000	30 June 2000 £'000
Chargeable gains rolled over	1,902	1,902
Other timing differences	<u>(112)</u>	<u>(299)</u>
	<u>1,790</u>	<u>1,603</u>

14 CALLED UP SHARE CAPITAL

	31 October 2000 £'000	30 June 2000 £'000
Authorised:		
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted and fully paid:		
Ordinary shares of £1 each	<u>46,283</u>	<u>46,283</u>

15 RESERVES

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 July 2000	3,045	-	29,941
Retained loss for the four month period	-	-	(41,811)
Revaluation of investment in subsidiary	-	19,717	-
Transfer to profit and loss account	-	<u>(19,717)</u>	<u>19,717</u>
At 31 October 2000	<u>3,045</u>	<u>-</u>	<u>7,847</u>

The transfer from the revaluation reserve represents a realised distribution in line with the Companies Act 1985, s.276.

SEAGRAM UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 OCTOBER 2000 *(continued)*

16 SHAREHOLDERS' FUNDS - EQUITY

	31 October 2000 £'000	30 June 2000 £'000
Profit for the financial period	27,689	11,353
Dividends	(69,500)	-
Revaluation of fixed asset investment	19,717	-
Net (decrease)/ increase in shareholders' funds	(22,094)	11,353
Opening shareholders' funds	79,269	67,916
Closing shareholders' funds	57,175	79,269

17 PENSION OBLIGATIONS

The Company contributes to a group pension scheme of a defined benefit nature in order to provide retirement benefits for its employees. Further details of the scheme, including particulars of the latest actuarial valuation, are contained in the financial statements of SDPLC.

18 COMMITMENTS IN RESPECT OF OPERATING LEASES

The Company has the following commitments for the next year in respect of operating leases due to expire in the undernoted period from the balance sheet date:

	Land and buildings	
	31 October 2001 £'000	30 June 2001 £'000
After five years	1,181	1,181

19 RELATED PARTIES

As a wholly owned subsidiary of The Seagram Company Ltd., a company which was listed on the New York, Toronto, Montreal, Vancouver and London Stock Exchanges, the company has taken advantage of the exemption under Financial Reporting Standard No. 8 not to disclose related party transactions, with other group companies.

20 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is The Seagram Finance Company Limited.

The ultimate parent undertaking was The Seagram Company Ltd., a company incorporated in Canada. Copies of its annual report may be obtained from 111/113 Renfrew Road, Paisley, Scotland, PA3 4DY. From 11 December 2000 the ultimate parent undertaking is Vivendi Universal S.A., a company incorporated in France. Copies of its annual report may be obtained from 42, avenue de Friedland, 75008 Paris.