



SACCONE & SPEED LIMITED
(formerly Percy Fox & Co.Limited)

REPORT AND ACCOUNTS
FOR
THE YEAR ENDED
25th OCTOBER 1975

This is the copy referred to in
the annexed Certificate "B".

Director 
Secretary 

DELOITTE & CO.
CHARTERED ACCOUNTANTS

SACCONE & SPEED LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 25th OCTOBER 1975

The directors present their report and the accounts for the year ended 25th October 1975.

ACTIVITIES

As described in Note 1 to the accounts, the wines and spirits and export businesses of certain other Group companies were transferred to the Company on 27th October 1974. As also described, a further stage in the reorganisation of the management structure of the Company took effect on 1st July 1975.

The principal activities of the divisions of the Company during the year were as follows:

a. From 27th October 1974 to 30th June 1975

Charles Kinloch & Co., Limited Division

The importation and bottling of wines, spirits and liqueurs, the manufacture and bottling of British wine, the blending and bottling of Scotch whisky, the compounding of gin, vodka and liqueurs, and the sale of these and other alcoholic and non-alcoholic drinks to wholesale and retail outlets including the restaurant and hotel trades.

Of the above activities, the Melrose-Drover Limited sub-division was responsible for the blending and bottling of Scotch whisky, the manufacture and bottling of British wine and the compounding of gin, vodka and liqueurs for the home and export markets. Wyld and Company, Limited, another sub-division, was responsible for the development and sale of brands.

The Wine Traders Consortium Limited Division

The importation and sale of wines and the provision of wine bottling and related services.

Of the above activities, the Clode Baker & Wyld Limited (name changed from Clode & Baker Limited on 28th April 1975) and the Percy Fox & Co. Limited sub-divisions were responsible for the importation and sale of wines and spirits. The Wine Traders Services Limited sub-division was responsible for the provision of wine bottling and related services.

Lawn & Alder Limited Division

From 1st May 1975, this division was responsible for the sale of surplus stocks of wines by retail mail order.

Arthur Cooper (Wine Merchant) Limited Division

The retail sale of alcoholic and non-alcoholic drinks, tobacco and packaged foods at managed off-licensed premises.

Courage (Export) Limited Division

The export of beers, wines and spirits, and their duty-free sale to the diplomatic corps within the United Kingdom and overseas, and to naval and commercial ships stores; the coordination of overseas interests.

SACCONE & SPEED LIMITED

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 25th OCTOBER 1975

b. From 1st July 1975 to 25th October 1975

Saccone & Speed Services Limited Division

The importation and bottling of wines, spirits and liqueurs, the manufacture and bottling of British wine, the blending and bottling of Scotch whisky, the compounding of gin, vodka and liqueurs, and the provision of warehousing and distribution facilities.

The Melrose-Drover Limited sub-division continued to be responsible for the blending and bottling of Scotch whisky, the manufacture and bottling of British wine and the compounding of gin, vodka and liqueurs for the home and export markets.

Saccone & Speed U.K. Sales Limited Division

The sale of wines, spirits and liqueurs, together with other alcoholic and non-alcoholic drinks, to wholesale and retail outlets.

The Clode Baker & Wyld Limited sub-division has continued to be responsible for the sale of wines and spirits together with the development and sale of brands. The Percy Fox & Co. Limited sub-division is also responsible for the sale of fine wines, champagne and spirits.

Charles Kinloch & Co., Limited Division

The responsibilities of this division are now limited to the administration of bonded and duty-paid warehouses; these activities will be transferred to Saccone & Speed Services Limited during 1976.

Lawn & Alder Limited Division

This division completed the sales of certain surplus stocks of wines by the end of the year.

Arthur Cooper (Wine Merchant) Limited Division

Saccone & Speed International Limited Division (name changed from Courage (Export) Limited Division on 1st July 1975)

The activities of both of the above divisions have continued unchanged throughout the year.

EARNINGS AND APPROPRIATIONS

The earnings after taxation for the year were £596,533. No dividend is recommended.

EXPORTS

The value of goods exported by the Company from the United Kingdom during the year was £2,413,335.

SACCONE & SPEED LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 25th OCTOBER 1975

DIRECTORS DURING THE YEAR

Resigned 27th October 1974

P. R. Wood (Chairman to 27th October 1974)
L. A. Webber (Managing Director to 27th October 1974)
D. C. Lambell
E. H. Lanson
R. McLaren
K. H. Pratt
H. Taupin
E. J. Wilkie

Appointed 27th October 1974

J. F. Plowman (Managing Director to 31st December 1974) (Chairman from 1st January 1975)
M. N. F. Cottrell (Managing Director from 1st January 1975)
R. W. Cartlidge
Sir Guy Fison, Bart.
G. L. Greenway
Sir Joseph Patron (resigned 25th June 1975)
W. J. Shaw
E. D. Simonds (resigned 30th September 1975)
I. C. Straker
H. S. Swallow (Chairman to 31st December 1974) (resigned 31st December 1974)
E. A. Tasker
R. H. Walters

Appointed 1st January 1975

C. F. Lawrence

Appointed 26th June 1975

M. P. A. Ainslie
A. W. J. Cottrell

DIRECTORS' INTERESTS

The directors holding office at 25th October 1975, who were not also directors of the immediate holding company, had the following interests in the shares and loan stocks of Imperial Group Limited:

	<u>Holdings of shares and loan stocks</u>	
	<u>25th October 1975</u>	<u>26th October 1974, or later date of appointment</u>
M. P. A. Ainslie	-	-
R. W. Cartlidge -		
Imperial Group Limited:		
Ordinary shares of 25p	9,019	9,019
8% convertible unsecured loan stock 1985/90	£ 665	£ 665
10.5% unsecured loan stock 1990/95	£ 732	£ 732
A. W. J. Cottrell	-	-
Sir Guy Fison, Bart. -		
Imperial Group Limited -		
Ordinary shares of 25p	1,623	1,623
G. L. Greenway	-	-
C. F. Lawrence	-	-
W. J. Shaw	-	-
I. C. Straker	-	-
E. A. Tasker	-	-
R. H. Walters -		
Imperial Group Limited:		
Ordinary shares of 25p	2,430	2,430
5½% unsecured loan stock 1982/85	£1,900	£1,900

SACCONE & SPEED LIMITED

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 25th OCTOBER 1975

CHANGE OF NAME

The name of the Company was changed from Percy Fox & Co. Limited to Saccone & Speed Limited on 28th October 1974.

AUDITORS

Deloitte & Co. continue in office under the provisions of the Companies Act, 1948.

BY ORDER OF THE BOARD

R. T. BOWLER

Secretary

London

29th January 1976

REPORT OF THE AUDITORS
TO THE MEMBERS OF SACCONI & SPEED LIMITED

In our opinion, the accounts set out on pages 6 to 13 give a true and fair view of the state of the Company's affairs at 25th October 1975 and of its earnings for the year ended on that date and comply with the Companies Acts 1948 and 1967.

DELOITTE & CO.

Chartered Accountants

London

29th January 1976

SACCONI & SPEED LIMITED

BALANCE SHEET 25th OCTOBER 1975

	<u>Notes</u>	<u>1975</u> £	<u>1974</u> £
ASSETS - less liabilities other than borrowings and future taxation			
CURRENT ASSETS			
Stocks	2	25,423,593	2,748,506
Due from intermediate holding company and fellow subsidiaries		1,141,941	346,838
Debtors		7,424,652	442,209
Current taxation recoverable		880,621	-
Bank balances and cash		22,803	207
		<u>34,893,610</u>	<u>3,537,760</u>
LESS CURRENT LIABILITIES			
Due to holding companies and fellow subsidiaries		652,709	2,358,023
Creditors and bills payable		8,113,124	631,167
Current taxation		-	249,756
		<u>8,765,833</u>	<u>3,238,946</u>
		26,127,777	298,814
FIXED ASSETS	2 & 3	6,868,410	-
GOODWILL - At cost, less amounts written off		16,260	-
INTEREST IN SUBSIDIARIES		-	2,026
TRADE LOANS		11,177	-
		<u>£33,023,624</u>	<u>£ 300,840</u>
FINANCED AS FOLLOWS			
ISSUED CAPITAL	4	200,000	200,000
RETAINED EARNINGS	5	661,225	64,692
SHAREHOLDERS' FUNDS		<u>861,225</u>	<u>264,692</u>
LOAN DUE TO IMMEDIATE HOLDING COMPANY	6	5,706,596	-
BANK OVERDRAFTS		19,833,777	31,234
FUTURE TAXATION	7	6,622,026	4,914
		<u>£33,023,624</u>	<u>£ 300,840</u>

J.F. PLOWMAN)
) Directors
M.N.F. COTTRELL)

SACCONE & SPEED LIMITED

STATEMENT OF EARNINGS
FOR THE YEAR ENDED 25th OCTOBER 1975

	<u>Notes</u>	<u>Year ended</u> <u>25th October</u> <u>1975</u> <u>£</u>	<u>Period of 18</u> <u>months ended</u> <u>26th October</u> <u>1974</u> <u>£</u>
TURNOVER	2	<u>£82,912,572</u>	<u>£7,271,237</u>
EARNINGS BEFORE TAXATION	8	1,701,698	8,787
TAXATION	9	<u>1,105,165</u>	<u>3,670</u>
EARNINGS AFTER TAXATION - RETAINED	5	<u>£ 596,533</u>	<u>£ 5,117</u>

SACCONE & SPEED LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 25th OCTOBER 1975

1. a. On 27th October 1974, the trades and the majority of the assets and liabilities of the former Saccone & Speed Limited (name changed to Saccone & Speed (Wines and Spirits) Limited on 28th October 1974), Clode & Baker Limited and Wine Traders Services Limited and the trade and certain of the assets and liabilities of The Wine Traders Consortium Limited were transferred to the Company at book value. From that date until 30th June 1975, the following companies acted as the management companies for the related divisions and sub-divisions of the Company:

Charles Kinloch & Co., Limited

Melrose-Drover Limited

Wyld and Company, Limited

The Wine Traders Consortium Limited

Clode Baker & Wyld Limited (name changed from Clode & Baker Limited on 28th April 1975)

Percy Fox & Co. Limited (name changed from Metaxas-Moraima Limited on 28th October 1974)

Wine Traders Services Limited

Lawn & Alder Limited (from 1st May 1975)

Arthur Cooper (Wine Merchant) Limited

Courage (Export) Limited

On 1st July 1975, as a further stage in the reorganisation of the management structure of the Company, the trades of the Charles Kinloch & Co., Limited division and The Wine Traders Consortium Limited division were merged and integrated into Saccone & Speed Services Limited and Saccone & Speed U.K. Sales Limited divisions. From that date, the following companies have acted as the management companies for the related divisions and sub-divisions of the Company:

Saccone & Speed Services Limited (name changed from Wine Traders Services Limited on 1st July 1975)

Melrose-Drover Limited

Saccone & Speed U.K. Sales Limited (name changed from Ravenscroft & Jones Limited on 1st July 1975)

Clode Baker & Wyld Limited

Percy Fox & Co. Limited

Charles Kinloch & Co., Limited

Lawn & Alder Limited (until 25th October 1975)

Arthur Cooper (Wine Merchant) Limited

Saccone & Speed International Limited (name changed from Courage (Export) Limited on 1st July 1975)

All transactions relating to the foregoing activities were recorded in the books of the Company.

- b. The name of the Company was changed from Percy Fox & Co. Limited to Saccone & Speed Limited on 28th October 1974.

SACCONE & SPEED LIMITED

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 25th OCTOBER 1975

2. ACCOUNTING POLICIES

a. STOCKS

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

b. FIXED ASSETS AND DEPRECIATION

Licensed and unlicensed properties are stated at valuations with subsequent additions at cost. No depreciation is currently provided on freehold and long leasehold licensed and unlicensed properties other than on landlord's fixtures, which, in common with such fixtures in short leasehold properties, are written off over their average estimated useful lives. Short leasehold properties are amortised over the unexpired period of the lease.

Other land and buildings are stated at valuations, with subsequent additions at cost. Buildings included in this heading are depreciated at 4 per cent per annum on a straight-line basis. Other fixed assets are stated at cost, and depreciation is applied on a straight-line basis over their estimated lives, which are:

Plant	20 years
Machinery	10 years
Furniture	5 - 10 years
Vehicles	5 - 10 years

Certain moveable assets which become fully depreciated are eliminated from the accounts.

c. DEFERRED TAXATION

Provision is made on the liability method for taxation which is deferred because of differences between depreciation and other charges provided for in the accounts and the corresponding allowances for tax purposes. The provision includes taxation deferred consequent upon relief in respect of stock increases which has been calculated on the assumption that future legislation will provide for the continuation of the relief in a form similar to that laid down in the Finance (No.2) Act 1975.

No provision has been made for the potential liability to development gains tax or corporation tax on gains which may arise in the event of properties being realised at their balance sheet values as it is intended that the majority of these properties will be retained by the Company on a long term basis. It is considered impracticable either to quantify the liability, if any, or to indicate when any such liability may become payable.

d. TURNOVER

Turnover, which excludes V.A.T., comprises sales, rents and other trading income.

e. FOREIGN CURRENCIES

Liabilities in respect of overseas purchases have been expressed in sterling at future contracted exchange rates.

SACCONE & SPEED LIMITED

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 25th OCTOBER 1975

3. FIXED ASSETS

<u>Summary</u>	<u>1975</u>		<u>1974</u>	
	<u>Cost or valuation</u>	<u>Depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
	£	£	£	£
Licensed and unlicensed properties				
Freehold	3,580,549	140,096	3,440,453	-
Long leasehold	305,960	108,093	197,867	-
Short leasehold	415,835	37,127	378,708	-
Other land and buildings				
Freehold	1,336,641	14,022	1,322,619	-
Short leasehold	51,000	7,716	43,284	-
Plant, furniture and fittings, and vehicles	5,689,985	307,054	5,382,931	-
	<u>2,613,201</u>	<u>1,127,722</u>	<u>1,485,479</u>	<u>-</u>
	<u>£8,303,186</u>	<u>£1,434,776</u>	<u>£6,868,410</u>	<u>£ -</u>

The net book values include licensed and unlicensed properties and other land and buildings at:

	<u>1975</u>	<u>1974</u>
	£	£
Cost less depreciation	1,941,958	-
1971 valuation less depreciation	3,436,036	-
1964 valuation less depreciation	4,937	-
Total	<u>£5,382,931</u>	<u>£ -</u>

Movements during the year

	<u>Licensed and unlicensed properties</u>	<u>Other land and buildings</u>	<u>Plant, furniture and fittings, and vehicles</u>	<u>Total</u>
	£	£	£	£
<u>Cost or valuation:</u>				
At 26th October 1974	-	-	-	-
Intra-group transfers	4,253,737	1,390,548	2,479,417	8,123,702
Additions	61,588	93	421,774	483,455
Disposals	-	(3,000)	(120,654)	(123,654)
Eliminated in respect of fully depreciated assets	(12,981)	-	(167,336)	(180,317)
At 25th October 1975	<u>£4,302,344</u>	<u>£1,387,641</u>	<u>£2,613,201</u>	<u>£8,303,186</u>
<u>Depreciation:</u>				
At 26th October 1974	-	-	-	-
Intra-group transfers	231,294	20,349	1,077,477	1,329,120
Provided for the year	67,003	3,648	295,038	365,689
Eliminated in respect of:				
Disposals	-	(2,259)	(77,457)	(79,716)
Fully depreciated assets	(12,981)	-	(167,336)	(180,317)
At 25th October 1975	<u>£ 285,316</u>	<u>£ 21,738</u>	<u>£1,127,722</u>	<u>£1,434,776</u>

SACCONE & SPEED LIMITED

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 25th OCTOBER 1975

4. SHARE CAPITAL

Authorised, issued and fully paid	
1975	1974
<u>£200,000</u>	<u>£200,000</u>

Shares of £1 each

5. RETAINED EARNINGS

	£
At 26th October 1974	64,692
Retained earnings for the year	<u>596,533</u>
At 25th October 1975	<u>£661,225</u>

6. LOAN DUE TO IMMEDIATE HOLDING COMPANY

No terms of repayment are specified in respect of this loan. The loan was interest free during the year.

7. FUTURE TAXATION

	<u>1975</u>	<u>1974</u>
Deferred taxation:		
Transferred from other Group companies relating to stocks and fixed assets acquired from them on 27th October 1974	1,964,285	-
Charged to earnings (Note 9)	<u>4,657,741</u>	<u>-</u>
	6,622,026	-
Provision for current taxation payable after October 1976	-	4,914
	<u>£6,622,026</u>	<u>£4,914</u>

Included in deferred taxation is an amount of £6,008,579 (1974 - Nil) relating to stock relief.

8. EARNINGS BEFORE TAXATION

Earnings before taxation are stated after charging:

	Year ended 25th October 1975	Period of 18 months ended 26th October 1974
	<u>£</u>	<u>£</u>
Depreciation	365,689	-
Auditors' remuneration	38,805	5,368
Bank overdraft interest	-	79,335
Changes in trading terms with other Group companies	<u>3,064,509</u>	<u>-</u>

SACCONE & SPEED LIMITED

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 25th OCTOBER 1975

9. TAXATION

	Year ended 25th October 1975	Period of 18 months ended 26th October 1974
	£	£
United Kingdom corporation tax:		
Based on earnings for the year, at 52% (1974 - 52%):		
Current	-	4,914
Group relief receivable	(64,128)	-
Deferred (Note 7)	<u>950,912</u>	<u>-</u>
	886,784	4,914
Prior periods' adjustments:		
Current	(956,226)	(1,244)
Group relief receivable	(2,532,222)	-
Deferred (Note 7)	<u>3,706,829</u>	<u>-</u>
	<u>£1,105,165</u>	<u>£3,670</u>

Prior periods' adjustments relate to the corporation tax liabilities (both current and deferred) assumed by the Company on the transfer to the Company of the businesses referred to in Note 1.

10. DIRECTORS' REMUNERATION

	Year ended 25th October 1975	Period of 18 months ended 26th October 1974
	£	£
Fees	2,000	-
Other emoluments	70,904	55,673
Compensation for loss of office	27,856	-
Emoluments to past director's widow	-	1,213
Total	<u>£100,760</u>	<u>£56,886</u>
Emoluments of chairmen	Nil	£4,430
Emoluments of highest paid director	<u>£11,476</u>	<u>£9,148</u>

Number of other directors whose emoluments for the year (1974 - period of 18 months) were within the ranges

Nil - £2,500	14	2
£2,501 - £5,000	1	1
£5,001 - £7,500	-	2
£7,501 - £10,000	1	2
£10,001 - £12,500	3	-
	<u>19</u>	<u>7</u>

SACCONE & SPEED LIMITED

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 25th OCTOBER 1975

11. EMOLUMENTS OF U.K. EMPLOYEES

Annual emoluments were received by two employees (1974 - none) in the range £10,001 to £12,500.

12. CAPITAL COMMITMENTS

	<u>1975</u>	<u>1974</u>
	£	£
Contracted for but not provided for in the accounts	-	-
Authorised by the directors but not contracted for	<u>13,040</u>	<u>-</u>
	<u>£13,040</u>	<u>£-</u>

13. CONTINGENT LIABILITIES

Commencing 27th October 1974, the Company has floating charges on its undertaking, property and assets as security for debenture stocks issued by Courage Limited, its immediate holding company from that date.

At 25th October 1975, the Company had contingent liabilities totalling £7,058 (1974 - Nil) in respect of bank indemnities given against bills of lading.

14. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Imperial Group Limited, which is incorporated in England.