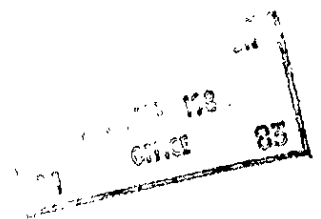


RACHEL SECURITIES LIMITED

FINANCIAL STATEMENTS

30th September 1987



DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and financial statements for the year ended 30th September 1987.

**Activities and Financial**

The company has not traded during the year.

**Directors**

The directors during the year were as follows:

Str Stanley Grinstead	(Resigned 30th June 1987)
D J Dickinson	
J C Orr	(Resigned 31st January 1987)
N A Fowler	(Resigned 1st November 1986)
R G Hawkins	(Appointed 14th August 1987)

The directors who held office at the end of the financial year had the following interests in the shares of Grand Metropolitan Public Limited Company:

	<u>Ordinary shares of 50p each</u>		<u>Options</u>	
	At end of year	At beginning of year (or date of appointment if later)	At end of year	At beginning of year (or date of appointment if later)
D J Dickinson	26,380	17,072	65,020	54,328
R G Hawkins	-	-	44,372	44,372

The Directors held the above options under the Grand Metropolitan Public Limited Company share option schemes at prices between 245p and 544p per share exercisable by 1994.

RACHEL SECURITIES LIMITED

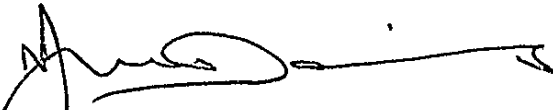
Page 2

DIRECTORS' REPORT (continued)

**Auditors**

The company is dormant as defined by s.252 of the Companies Act 1985. In accordance with the Act the reappointment of auditors is not required. Therefore, a special resolution will be proposed not to reappoint the auditors with effect from the conclusion of the forthcoming annual general meeting of the company at which financial statements are laid.

By order of the Board

A handwritten signature in black ink, appearing to be 'N J M Davies', with a long horizontal flourish extending to the right.

N J M Davies  
Secretary

11/12 Hanover Square  
London  
W1A 1DP

8th January 1988

RACHEL SECURITIES LIMITED

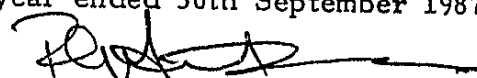

Page 3

BALANCE SHEET

As at 30th September 1987

	<u>Notes</u>	<u>1987</u>	<u>1986</u>
Current Assets			
Debtors - Amounts owed by holding company	1	£ 1,000 =====	£ 1,000 =====
Capital and Reserves			
Called up Share Capital			
Authorised, allotted and fully paid 1,000 shares of £1 each		£ 1,000 =====	£ 1,000 =====

The company was dormant throughout the year ended 30th September 1987.

  
R. Hawkins Director  
  
D. J. Dickinson Director

NOTES

1. The ultimate holding company is Grand Metropolitan Public Limited Company, which is incorporated in Great Britain.
2. No profit and loss account has been prepared as there were no transactions on revenue account during the year.
3. Directors' share interests are disclosed in the Directors' Report.
4. These financial statements were approved by the Board of Directors on 8th January 1988.

AUDITORS' REPORT TO THE MEMBERS OF  
RACHEL SECURITIES LIMITED

We have audited the foregoing financial statements in accordance with approved Auditing Standards.

There were no transactions on revenue account during the year and in our opinion the balance sheet gives a true and fair view of the state of the company's affairs at 30th September 1987 and has been properly prepared in accordance with the Companies Act 1985.

*Peat Marwick McLintock*

Peat Marwick McLintock  
Chartered Accountants  
London

8th January 1988.