

VAUX BREWERIES (1995) LIMITED

(A wholly owned subsidiary of Swallow Group plc which is incorporated in England and Wales)

Directors	:	T. G. Walker (appointed 26 th April 1999) C. J. Storey N.T. Gossage (resigned 8 th February 1999)
Secretary	:	M.I. Hodgson
Registered Office	:	Swallow House PO Box 30 Parsons Road Washington NE37 1QS
Registered Number	:	03082773

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30th September 1999.

Directors' Interests

The directors are both directors of the parent company and their interests in the shares of the parent company are disclosed in its accounts.

Principal Activities and Business Review

The company acts as an employment service company for certain of the employees who work for the parent company.

The company's profit after tax was £283,118 (1998: £261,338). The directors recommend that no dividend is paid (1998: nil).

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.



WASHINGTON
15TH DECEMBER 1999


C J STOREY
DIRECTOR

VAUX BREWERIES (1995) LIMITED

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
TURNOVER	2	8,554,476	7,957,377
COST OF SALES		(8,147,120)	(7,578,417)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	3	407,356	378,920
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	(124,238)	(117,582)
RETAINED PROFIT FOR THE YEAR		<u>283,118</u>	<u>261,338</u>

Vaux Breweries (1995) Limited has no recognised gains or losses other than those above and therefore has not presented a statement of such under FRS3.

There is no difference between the profits reported above and those on a historical cost basis.

All activities relate to continued operations.

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BALANCE SHEET

AS AT 30TH SEPTEMBER 1999

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
CURRENT ASSETS			
Debtors - amount owed by parent company		1,137,936	848,045
CURRENT LIABILITIES			
Corporation tax payable		<u>124,273</u>	<u>117,500</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,013,663</u>	<u>730,545</u>
CAPITAL AND RESERVES			
Called up equity share capital	6	2	2
Profit and Loss account	7	<u>1,013,661</u>	<u>730,543</u>
Equity shareholders' funds	8	<u>1,013,663</u>	<u>730,545</u>

The financial statements were approved by the directors on 15th December 1999 and are signed on their behalf by:-



T. G. Walker - Director

VAUX BREWERIES (1995) LIMITED

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by company law to ensure that accounts are prepared which give a true and fair view of the state of affairs of the company at the end of the financial year and of its results for the period to that date. The accounts must be prepared in accordance with applicable accounting standards. In addition, the directors are responsible for selecting suitable accounting policies, applying them consistently and for making judgements and estimates that are reasonable and prudent.

The directors are also responsible for ensuring that adequate accounting records are maintained and that systems are in place both to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF VAUX BREWERIES (1995) LIMITED

We have audited the financial statements on pages 2 to 6 which have been prepared under the historical cost convention, and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described above 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 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 as at 30th September 1999 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

Newcastle upon Tyne
15th December 1999

VAUX BREWERIES (1995) LIMITED

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NOTES ON THE ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1999

1. **ACCOUNTING POLICIES**

The main accounting policies are as follows:-

Accounting convention.

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

2. **TURNOVER**

Turnover arose wholly in the United Kingdom and represents value of goods and services exclusive of VAT.

3. **PROFIT ON ORDINARY ACTIVITIES IS STATED AFTER CHARGING**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Wages and Salaries	7,317,844	6,882,266
Social Security	343,939	342,898
Pension Scheme Costs	<u>485,337</u>	<u>353,253</u>
	<u>8,147,120</u>	<u>7,578,417</u>

The average number of employees during the year was 688 (1998 - 699).

4. **DIRECTORS EMOLUMENTS**

No director received any emoluments in respect of their services to the company.

5. **TAX**

The tax charge on the profit for the year ended comprises the following:-

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
UK corporation tax at 30% (1998 - 31%)	<u>124,238</u>	<u>117,582</u>

6. **CALLED UP EQUITY SHARE CAPITAL**

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Authorised ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid	<u>2</u>	<u>2</u>

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NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

7. PROFIT AND LOSS ACCOUNT

£

At 30 th September 1998	730,543
Profit for the year	<u>283,118</u>

At 30 th September 1999	<u><u>1,013,661</u></u>
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8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1999</u> £	<u>1998</u> £
Profit for the financial period	283,118	261,338
Opening shareholders funds	<u>730,545</u>	<u>469,207</u>
Closing shareholders funds	<u><u>1,013,663</u></u>	<u><u>730,545</u></u>

9. ULTIMATE PARENT COMPANY

The ultimate parent company is Swallow Group plc whose accounts can be obtained from PO Box 30, Parsons Road, Washington NE37 1QS.

The company has taken exemption from the requirement to disclose transactions with related undertakings, whose share capital is 90% or more controlled within the group.

10. CASH FLOW STATEMENT

The company is a wholly owned subsidiary of Swallow Group plc, whose accounts are now publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).