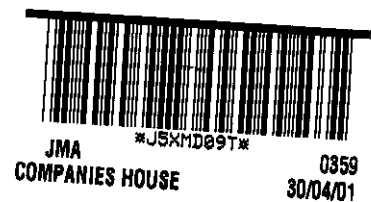

HALEWOOD INTERNATIONAL PRODUCTION LIMITED

REPORT AND FINANCIAL STATEMENTS

◆ *Period ended 30 June 2000* ◆



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COMPANY INFORMATION

Directors	J E Halewood H Melling S J Oldroyd
Secretary	S J Oldroyd
Registered office	The Sovereign Distillery Wilson Road Huyton Industrial Estate Huyton Liverpool L36 6AO
Registered number	3920410
Auditors	RSM Robson Rhodes Chartered Accountants Colwyn Chambers 19 York Street Manchester M2 3BA
Bankers	Lloyds Bank plc 94 Fishergate Preston Lancashire PR1 2JB

REPORT OF THE DIRECTORS

The directors have pleasure in presenting the financial statements of the company for the period ended 30 June 2000, together with the auditors' report thereon.

Incorporation

The company was incorporated as Quotestock Limited on 7 February 2000.

Change of name

The company name was changed to Halewood International Production Limited on 30 March 2000.

Principal activities

The company commenced trading on 3 April 2000 as an importer, bottler and manufacturer of wines and spirits.

Ultimate parent undertaking

The ultimate parent undertaking is Halewood International Holdings PLC, a company incorporated in England.

Share capital

The company issued 100 £1 ordinary shares to the ultimate parent undertaking for cash on 30 June 2000.

Review of business and future prospects

The results for the year are set out in the profit and loss account on page 5.

Results and dividends

The profit for the year after taxation amounted to £920,710. The directors propose a dividend of £875,000 and the balance of profit has been transferred to reserves.

Directors

The present directors of the company are set out on page 1. Changes in directors during the year are set out below:

J E Halewood	(Appointed 1 April 2000)
H Melling	(Appointed 1 April 2000)
S J Oldroyd	(Appointed 1 April 2000)
Corporate Appointments Registrars Limited	(Appointed 7 February 2000, resigned 11 February 2000)
t.p.d.d. Limited	(Appointed 11 February 2000, resigned 1 April 2000)

The directors did not hold any shares in the company at 30 June 2000 or on appointment. The directors' interests in the shares of the ultimate parent undertaking are disclosed in the financial statements of that company.

REPORT OF THE DIRECTOR (Continued)

Directors' responsibilities

Company law requires 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 the profit or loss of the company for that period. In preparing these financial statements, the director has:

- ◆ selected suitable accounting policies and applied them consistently;
- ◆ made judgements and estimates that are reasonable and prudent;
- ◆ followed applicable accounting standards; and
- ◆ prepared the financial statements on the going concern basis.

Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Employees

During the period the company continued to provide employees with relevant information through line managers. Priority is given to ensuring that employees are aware of all significant matters affecting the company's trading position and of any significant organisational changes.

It is the policy of the company to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the company, as well as generally through training and career development.

Policy and practice on payment of creditors

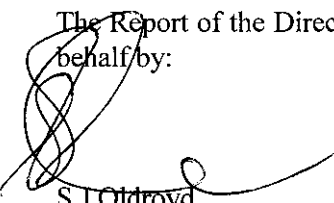
The company's policy is to pay suppliers in accordance with terms and conditions agreed when orders are placed. Although the company does not follow any code or standard on payment policy, where terms have not been specifically agreed, invoices dated in one calendar month are paid close to the end of the following month. At 30 June 2000, the number of days of trade creditors for the company was 45.

Auditors

RSM Robson Rhodes were appointed as the company's first auditors during the year and have expressed their willingness to continue in office. A resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

Approval

The Report of the Directors was approved by the Board on 27 April 2001 and signed on its behalf by:


S J Oldroyd
Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
HALEWOOD INTERNATIONAL PRODUCTION LIMITED**

We have audited the financial statements on pages 5 to 15.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 with the company is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

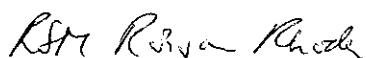
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 30 June 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes

Chartered Accountants and Registered Auditors

Manchester, England

27 April 2001

HALEWOOD INTERNATIONAL PRODUCTION LIMITED

PROFIT AND LOSS ACCOUNT
for the period ended 30 June 2000

	Note	2000 £
Turnover: continuing operations	1 & 2	24,998,534
Cost of sales		(20,682,354)
		<hr/>
Gross profit		4,316,180
Distribution costs		(1,753,208)
Administration expenses		(460,013)
		<hr/>
Operating profit: continuing operations	3	2,102,959
Interest payable	6	(50,249)
		<hr/>
Profit on ordinary activities before taxation		2,052,710
Tax on profit on ordinary activities	7	(1,132,000)
		<hr/>
Profit on ordinary activities after taxation		920,710
Dividends	8	(875,000)
		<hr/>
Retained profit	16	45,710
		<hr/> <hr/>

There were no recognised gains or losses other than those stated above.

HALEWOOD INTERNATIONAL PRODUCTION LIMITED

BALANCE SHEET

At 30 June 2000

	Note	2000 £
Fixed assets		
Tangible assets	9	4,990,717
Current assets		
Stocks	10	10,166,942
Debtors	11	12,835,304
		23,002,246
Creditors: Amounts falling due within one year	12	(26,356,843)
Net current liabilities		(3,354,597)
Total assets less current liabilities		1,636,120
Creditors: Amounts falling due after more than one year	13	(1,103,310)
Provision for liabilities and charges	14	(487,000)
Net assets		45,810
Capital and reserves		
Called up share capital	15	100
Profit and loss account	16	45,710
Equity shareholders' funds	17	45,810

The financial statements were approved by the Board on 27 April 2001 and signed on its behalf by:



H Melling
Director

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000

1. ACCOUNTING POLICIES

Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. The principal accounting policies which the directors have adopted within that convention are set out below.

The company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of Halewood International Holdings PLC which publishes a consolidated cash flow statement.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Computer equipment	10% on cost
Fixtures and fittings, plant and machinery	10% to 20% on cost
Property improvements	10% on cost
Motor vehicles	25% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes any expenses incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less further costs of disposal.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method to the extent it is likely that it will become payable in the foreseeable future.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

Leasing

Where assets are financed by hire purchase the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. Future obligations are shown as a liability. The interest element of repayments made are charged to the profit and loss account on a straight line basis.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Capital grants

Capital government grants received are treated as a deferred credit and released to the profit and loss account over the expected useful life of the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000**1. ACCOUNTING POLICIES (Continued)****Pensions**

The company operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost for the scheme represents contributions payable by the company in the year.

Turnover

Turnover comprises sales to customers less discounts and allowances and is net of value added tax.

2. SEGMENTAL ANALYSIS

The analysis of turnover by geographical market is as follows:

	3 months ended 30 June 2000 £
United Kingdom	24,998,534
	<hr/>

All turnover derives from the principal activity.

3. OPERATING PROFIT

	3 months ended 30 June 2000 £
Operating profit is arrived at after charging:	
Auditors' remuneration	9,000
Depreciation of tangible fixed assets	245,191
Hire of equipment	42,325
Loss on sale of assets	108,542
Grant released in the period	(9,024)
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000**4. EMPLOYEES**

	3 months ended 30 June 2000 £
Wages and salaries	850,195
Social security costs	76,190
Pensions - defined contribution scheme	27,948
	<hr/>
	954,333
	<hr/>

The average weekly number of employees during the period since trading commenced was made up as follows:

	2000 No.
Administration	28
Warehousing & production	203
	<hr/>
	221
	<hr/>

5. DIRECTORS' EMOLUMENTS

	3 months ended 30 June 2000 £
Management remuneration	46,825
Benefits in kind	14,950
Pension contributions - defined contribution scheme	18,284
	<hr/>
	80,059
	<hr/>

J E Halewood, a director of the ultimate parent company, Halewood International Holdings PLC, is the highest paid director. Accordingly, his remuneration is disclosed in the parent company financial statements.

Pension contributions have been made on behalf of two of the directors.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000**6. INTEREST PAYABLE**

	3 months ended 30 June 2000 £
Bank overdraft	21,889
Hire purchase interest	28,360
	<hr/>
	50,249
	<hr/> <hr/>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	3 months ended 30 June 2000 £
Corporation tax at 30%	645,000
Deferred tax (note 14)	487,000
	<hr/>
	1,132,000
	<hr/> <hr/>

8. DIVIDENDS

	3 months ended 30 June 2000 £
Proposed dividend on ordinary shares	875,000
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000

9. TANGIBLE FIXED ASSETS

	Property improvement £	Plant & machinery £	Motor vehicles £	Fixtures and fittings and computer equipment £	Total £
Cost					
At 7 February 2000	-	-	-	-	-
Additions	27,011	817,601	-	68,919	913,531
Transfers from group company	409,546	6,460,183	376,867	1,111,353	8,357,949
Disposals	-	(184,395)	(9,600)	-	(193,995)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	436,557	7,093,389	367,267	1,180,272	9,077,485
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation					
At 7 February 2000	-	-	-	-	-
Charge for the period	10,617	186,154	19,713	28,707	245,191
Transfers from group company	205,118	2,750,337	257,535	714,039	3,927,029
Disposals	-	(75,852)	(9,600)	-	(85,452)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	215,735	2,860,639	267,648	742,746	4,086,768
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 30 June 2000	220,822	4,232,750	99,619	437,526	4,990,717
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of fixed assets includes an amount of £2,284,658 in respect of assets held under hire purchase contracts. Depreciation charged in respect of these assets was £88,007 in the period.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000**10. STOCKS**

	2000 £
Consumables	38,696
Raw materials	1,959,164
Work in progress	168,948
Goods for resale	8,000,134
	<hr/>
	10,166,942
	<hr/> <hr/>

11. DEBTORS

	2000 £
Trade debtors	24,223
Other debtors	176,152
Prepayments	35,426
Amount due from fellow subsidiaries	12,599,503
	<hr/>
	12,835,304
	<hr/> <hr/>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £
Bank overdraft (secured)	10,673,625
Hire purchase finance	579,718
	<hr/>
Debt due within one year	11,253,343
Trade creditors	6,561,129
Corporation tax	645,000
Other taxation and social security	727,668
Accruals and deferred income	127,307
Due to parent undertaking	4,465,397
Due to fellow subsidiaries	1,681,433
Deferred grant	20,566
Proposed dividends	875,000
	<hr/>
	26,356,843
	<hr/> <hr/>

The bank overdraft is subject to the same security as described in the financial statements of Halewood International Holdings PLC.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2000 £
Hire purchase finance	1,051,871
Deferred grant	51,439
	<hr/>
	1,103,310
	<hr/> <hr/>
Repayable	
1-2 years	596,471
2-5 years	455,400
	<hr/>
Debt	1,051,871
Deferred grant	51,439
	<hr/>
	1,103,310
	<hr/> <hr/>

14. DEFERRED TAXATION

	2000 £
Opening balance	-
Profit and loss account	487,000
	<hr/>
At 30 June 2000	487,000
	<hr/> <hr/>

This represents accelerated capital allowances.

15. SHARE CAPITAL

	2000 Number
Authorised	
1,000 ordinary shares of £1 each	1,000
	<hr/> <hr/>
Issued and fully paid	
100 ordinary shares of £1 each issued at par on 30 June 2000	100
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000**16. RESERVES**

	Profit and loss account £
At 7 February 2000	-
Retained profit for the period	45,710
	<hr/>
At 30 June 2000	45,710
	<hr/> <hr/>

17. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS

	2000 £
Issue of share capital	100
Recognised gain	45,710
	<hr/>
Closing equity shareholders funds	45,810
	<hr/> <hr/>

18. COMMITMENTS**Capital**

The company has contracted capital commitments at 30 June 2000 of £1,760,000.

19. CONTINGENT LIABILITY

The company is party to group borrowings facilities under which the various UK companies in the group have cross guaranteed the borrowings due to Lloyds TSB Bank plc. At 30 June 2000 these borrowings amounted to £16,225,000.

20. RELATED PARTY TRANSACTIONS

The company has undertaken transactions with fellow subsidiaries of Halewood International Holdings PLC. Under the provisions of Financial Reporting Standard No.8 "Related Party Disclosures" the company is exempt from disclosing the details of these transactions.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2000

21. PENSION AND SIMILAR OBLIGATIONS

Certain company employees participate in the Hall & Bramley Staff Pension Fund. The benefits of above members of the fund are secured via money purchase accounts. There is a part service surplus in the fund which relates to the time when the scheme offered final salary related benefits. The assets of the fund are held and managed separately from these of the Group.

Particulars of the actuarial valuation of the scheme and other disclosures are given in the financial statements of Halewood International Holdings PLC.

22. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Halewood International Holdings PLC, a company registered in England. Group accounts for Halewood International Holdings PLC are available to the public on payment of the appropriate fee, from Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.