

WILLIAM GRANT & SONS OVERSEAS LIMITED

Report and Accounts

29 December 2001



William Grant & Sons Overseas Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the 52 weeks to 29 December 2001.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £2,803,000. The directors do not propose the payment of a dividend leaving retained profits of £2,803,000 to be taken to reserves.

PRINCIPAL ACTIVITIES

The company's principal activity continued to be the holding of investments of the group's interests located outside the UK.

REVIEW OF THE BUSINESS

The business has progressed well and has allowed the overseas operations to continue to develop by concentrating on the key issues in the respective markets.

DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

C Conway	(resigned 8 October 2001)
A L Hunt	
P Thomas	
P Wickman	
H Graham	(appointed 8 October 2001)

None of the directors had any interest in the share capital of the company or its ultimate parent, William Grant & Sons Ltd, at 29 December 2001.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year 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 those accounts, 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 accounts; and prepare the accounts 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 accounts 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

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to reappoint Ernst & Young LLP as the company's auditors will be put to the forthcoming annual general meeting.

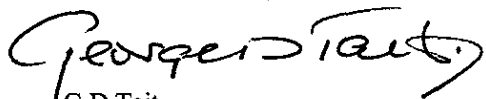
William Grant & Sons Overseas Limited

DIRECTORS' REPORT

FUTURE DEVELOPMENTS

Wherever possible, future growth opportunities will be identified and will be developed.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'G D Tait', written in a cursive style.

G D Tait
Secretary

1 October 2002

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WILLIAM GRANT & SONS OVERSEAS LIMITED**

We have audited the company's accounts for the year ended 29 December 2001 which comprise Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 9. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

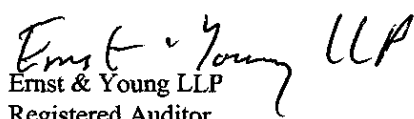
Basis of audit opinion

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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 29 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
Glasgow

1 October 2002

William Grant & Sons Overseas Limited

PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 29 December 2001

	<i>Notes</i>	<i>2001</i> <i>£000</i>	<i>2000</i> <i>£000</i>
Income from investments	1	3,784	8,973
OPERATING PROFIT	2	3,784	8,973
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,784	8,973
Tax on profit on ordinary activities	3	(981)	(1,278)
PROFIT FOR THE PERIOD AFTER TAXATION		2,803	7,695

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the retained profit of £ 2,803,000 (2000 - £7,695,000) in the period ended 29 December 2001.

William Grant & Sons Overseas Limited

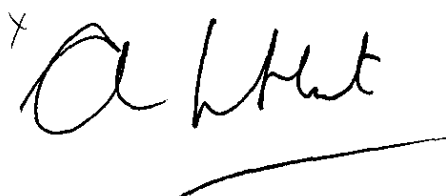
BALANCE SHEET

At 29 December 2001

	Notes	2001 £000	2000 £000
INVESTMENTS	4		
Subsidiary undertakings at cost		9,790	9,790
Others		697	697
		<u>10,487</u>	<u>10,487</u>
CURRENT ASSETS			
Cash at bank and in hand		45,438	41,862
		<u>45,438</u>	<u>41,862</u>
CREDITORS: amounts falling due within one year	5	4,379	3,606
		<u>41,059</u>	<u>38,256</u>
NET CURRENT ASSETS			
		<u>51,546</u>	<u>48,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	6	7,000	7,000
Profit and loss account	7	44,546	41,743
		<u>51,546</u>	<u>48,743</u>
EQUITY SHAREHOLDERS' FUNDS			
		<u>51,546</u>	<u>48,743</u>

A L Hunt
Director

1 October 2002



ACCOUNTING POLICIES

BASIS OF PREPARATION

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

DEFERRED TAXATION

Deferred taxation is provided on all timing differences which are expected to reverse in the future calculated at the rate at which it is estimated that tax will be payable.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange gains and losses are taken to the profit and loss account.

RELATED PARTY TRANSACTIONS

Related party transactions with group companies have not been disclosed in accordance with the exemption for subsidiary undertakings contained in Financial Reporting Standard 8 "Related Party Disclosures".

CASH FLOW STATEMENT

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement because it is a wholly owned subsidiary undertaking and consolidated accounts which include the company are publicly available.

William Grant & Sons Overseas Limited

NOTES TO THE ACCOUNTS

At 29 December 2001

1. INCOME FROM INVESTMENTS

	2001	2000
	£000	£000
Dividend Income	3,784	8,973

2. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

The aggregate remuneration of all UK directors, excluding pension contributions, was £265,000 (2000 - £52,795). The number of directors to whom retirement benefits are accruing in respect of qualifying services under defined benefit schemes is (2000 - 2).

Fees paid to the auditors for audit services amounted to £1,500 (2000 - £1,500).

Directors remuneration and audit fees have been met by the parent company, William Grant & Sons Limited.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£000	£000
Based on the profit for the year:		
UK corporation tax at 30%	961	1,367
Corporation tax under/(over)provided in previous years	20	(89)
	981	1,278

4. INVESTMENTS

(a) Subsidiaries:

£000

At 29 December 2001 and 30 December 2000

9,790

The principal subsidiaries are:

	Incorporated/ registered	Shares held	Proportion of voting rights and shares held	Activity
William Grant & Sons Inc.*	USA	Common stock	100%	Distributor
Quality Spirits International Limited *	Guernsey	Ordinary	100%	Spirit sales

* Held by a subsidiary.

(b) Others:

Unlisted
£000

At cost, less amounts written off

At 29 December 2001 and 30 December 2000

697

William Grant & Sons Overseas Limited

NOTES TO THE ACCOUNTS

At 29 December 2001

5. CREDITORS: amounts falling due within one year

	2001 £000	2000 £000
Current taxation	3,010	3,606
Amounts owed to parent company and fellow subsidiaries	1,369	-
	<u>4,379</u>	<u>3,606</u>

6. SHARE CAPITAL

	2001 No.	Authorised 2000 No.	Allotted, called up and fully paid 2001 £000	2000 £000
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>7,000</u>	<u>7,000</u>

7. SHARE CAPITAL, MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Called up share capital £000	Profit and loss account £000	Total equity shareholders' funds £000
At 25 December 1999	7,000	34,048	41,048
Profit for the period after taxation	-	7,695	7,695
At 30 December 2000	<u>7,000</u>	<u>41,743</u>	<u>48,743</u>
Profit for the period after taxation	-	2,803	2,803
At 29 December 2001	<u>7,000</u>	<u>44,546</u>	<u>51,546</u>

8. PENSION ARRANGEMENTS

The Company participates in a number of defined benefits schemes operated by Wm Grant & Sons in the UK. The scheme has a FRS17 deficit as at 29 December 2001. It is not possible to separately identify each subsidiary's share of the underlying assets and liabilities in the schemes and hence FRS17 allows the company to account for its contributions to the scheme as if it were a defined contribution scheme.

9. ULTIMATE PARENT COMPANY

The directors regard William Grant & Sons Limited, a company registered in Scotland, as the company's ultimate parent company. This is the only parent undertaking for which group accounts are drawn up and of which the company is a member. The address from which copies of these group accounts are available to the public is: The Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.