

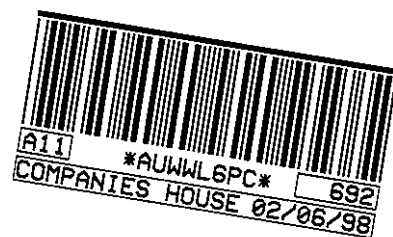
ALLIED DOMECO RETAILING LTD

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

for the 53 weeks ended

23 August 1997

Registered Number 124723



## DIRECTOR'S REPORT

The directors present their annual report and the audited financial statements for the 53 weeks ended on 23 August 1997. No consolidated financial statements for the company and its subsidiary undertakings are published, as the company is itself a wholly-owned subsidiary undertaking of Allied Domecq PLC which publishes consolidated financial statements for itself and all its subsidiary undertakings.

### PRINCIPAL ACTIVITIES

The company continues to retain the ownership of a number of subsidiary undertakings.

### BUSINESS REVIEW

The company has continued and will continue to review its holdings in subsidiary undertakings to facilitate effective management of its activities.

	1997 £m	1996 £m
Profit/(Loss) on ordinary activities before taxation	206.4	52.7
Taxation	<u>5.1</u>	<u>5.7</u>
Profit on ordinary activities after taxation	<u>211.5</u>	<u>58.4</u>
Profit for the period available for distribution or transfer to reserves	<u>211.5</u>	<u>58.4</u>

### CREDITOR PAYMENT POLICY

The company agrees terms and conditions for transactions with suppliers and payment is made on these terms, subject to the supplier meeting the agreed terms and conditions. The aggregate amount owed by the company to trade creditors at 23 August 1997 was equivalent to 39 days of purchases invoiced by suppliers during the year.

### DIVIDENDS

The directors recommend a final dividend on the ordinary share capital of £45.0m, bringing the total dividend payable in respect of the period to £215.0m.

### RESERVES

The directors propose to transfer the £3.5m loss for the period to reserves.

## GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to accept the going concern basis in preparing the financial statements.

## DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the period were as follows:

S H Alexander MA  
P M Davies  
M J Grant BSc  
A J Hales BSc (Chairman)  
M P H Hammond  
J W McKeown MA  
K A Oginsky FCMA  
R M Rosenberg BSc MBA (USA)  
J A F Trigg FCMA  
M A Wright ACMA

Secretary: A E Wilkinson LLB

No director has, or has at any time had, any beneficial interest in the share capital or loan capital of the company or its subsidiary undertakings.

The interests of the directors who held office at the end of the financial period (and their immediate families) in the share and loan capital of Allied Domecq PLC, the company's ultimate parent company, were as follows:

Ordinary Shares of 25p	Holding at 23 August 1997	Holding at 17 August 1996
P M Davies	Nil	Nil
M J Grant	Nil	Nil
M P H Hammond	7,694	7,694
J W McKeown	1,928	2,928
K A Oginsky	Nil	Nil
R M Rosenberg	Nil	Nil
M A Wright	11,768	11,401

The following movements in options over the Ordinary share capital of Allied Domecq PLC took place during the period.

		Number of options at 17 August 1996	Options granted during period	Options exercised during period	Number of options at 23 August 1997	Exercise price	Market price at date of exercise	Date from which exercisable	Expiry date
P M Davies	B	1,395	-	-	1,395	475	-	08.12.92	08.12.99
	D	22,108	-	-	22,108	570	-	08.08.94	08.08.01
	D	1,547	-	-	1,547	609	-	08.01.96	08.01.03
	D	14,356	-	-	14,356	631	-	20.12.96	20.12.03
	D	17,392	-	-	17,392	552	-	19.12.97	19.12.04
	E	19,351	-	-	19,351	516	-	18.12.98	18.12.02
	E	-	24,938	-	24,938	427.5	-	10.12.99	10.12.03
<b>TOTAL</b>		<b>76,149</b>	<b>24,938</b>	<b>-</b>	<b>101,087</b>				
M J Grant	C	2,145	-	-	2,145	524	-	01.08.97	31.01.98
	C	1,440	-	-	1,440	479	-	01.08.99	31.01.00
	D	10,161	-	-	10,161	570	-	08.08.94	08.08.01
	D	12,546	-	-	12,546	609	-	08.01.96	08.01.03
	D	17,438	-	-	17,438	631	-	20.12.96	20.12.03
	D	16,758	-	-	16,758	552	-	19.12.97	19.12.04
	E	19,381	-	-	19,381	516	-	18.12.98	18.12.02
	E	-	29,712	-	29,712	427.5	-	10.12.99	10.12.03
	C	-	2,859	-	2,859	362	-	01.08.02	31.01.03
<b>TOTAL</b>		<b>79,869</b>	<b>32,571</b>	<b>-</b>	<b>112,440</b>				
M P H Hammond	C	1,430	-	-	1,430	524	-	01.08.97	31.01.98
	C	806	-	-	806	428	-	01.08.00	31.01.01
	C	1,778	-	-	1,778	388	-	01.08.01	31.01.02
	B	2,333	-	2,333	-	415	436	23.03.90	23.09.97
	B	2,084	-	2,084	-	383	436	14.09.91	14.09.98
	B	1,395	-	-	1,395	475	-	08.12.92	08.12.99
	D	25,663	-	-	25,663	570	-	08.08.94	08.08.01
	D	16,304	-	-	16,304	609	-	08.01.96	08.01.03
	D	5,337	-	-	5,337	631	-	20.12.96	20.12.03
	D	17,467	-	-	17,467	552	-	19.12.97	19.12.04
	E	18,380	-	-	18,380	516	-	18.12.98	18.12.02
	F	1,054	-	-	1,054	485	-	18.12.98	18.12.02
	E	-	27,371	-	27,371	427.5	-	10.12.99	10.12.03
	C	-	1,906	-	1,906	362	-	01.08.02	31.01.01
<b>TOTAL</b>		<b>94,031</b>	<b>29,277</b>	<b>4,417</b>	<b>118,891</b>				

		Number of options at 17 August 1996	Options granted during period	Options exercised during period	Number of options at 23 August 1997	Exercise price	Market price at date of exercise	Date from which exercisable	Expiry date
J W McKeown	B	1,395	-	-	1,395	475	-	08.12.92	08.12.99
	C	1,645	-	-	1,645	419	-	01.08.98	31.01.99
	C	720	-	-	720	479	-	01.08.99	31.01.00
	C	1,612	-	-	1,612	428	-	01.08.00	31.01.01
	D	40,237	-	-	40,237	570	-	08.08.94	08.08.01
	D	6,264	-	-	6,264	609	-	08.01.96	08.01.03
	D	6,783	-	-	6,783	631	-	20.12.96	20.12.03
	D	20,378	-	-	20,378	552	-	19.12.97	19.12.04
	E	22,782	-	-	22,782	516	-	18.12.98	18.12.02
	E	-	30,071	-	30,071	427.5	-	10.12.99	10.12.03
<b>TOTAL</b>		<b>101,816</b>	<b>30,071</b>	<b>-</b>	<b>131,887</b>				
K A Oginsky	C	3,576	-	-	3,576	524	-	01.08.97	31.01.98
	D	36,240	-	-	36,240	570	-	08.08.94	08.08.01
	D	3,247	-	-	3,247	609	-	08.01.96	08.01.03
	D	4,514	-	-	4,514	631	-	20.12.96	20.12.03
	D	17,354	-	-	17,354	552	-	19.12.97	19.12.04
	E	179	-	-	179	552	-	19.12.97	19.12.01
	E	19,600	-	-	19,600	516	-	18.12.98	18.12.02
	E	-	26,200	-	26,200	427.5	-	10.12.99	10.12.03
	C	-	4,765	-	4,765	362	-	01.08.02	31.01.03
<b>TOTAL</b>		<b>84,710</b>	<b>30,965</b>	<b>-</b>	<b>115,675</b>				
R M Rosenberg	E	52,134	-	-	52,134	572	-	09.12.94	09.12.01
	E	2,446	-	-	2,446	609	-	08.01.96	08.01.03
	E	1,985	-	-	1,985	631	-	20.12.96	20.12.03
	E	21,376	-	-	21,376	552	-	19.12.97	19.12.04
	E	7,824	-	-	7,824	516	-	18.12.98	18.12.02
	F	15,625	-	-	15,625	485	-	28.05.99	28.05.06
<b>TOTAL</b>		<b>101,390</b>	<b>-</b>	<b>-</b>	<b>101,390</b>				

		Number of options at 17 August 1996	Options granted during period	Options exercised during period	Number of options at 23 August 1997	Exercise price	Market price at date of exercise	Date from which exercisable	Expiry date
M A Wright	C	1,430	-	-	1,430	524	-	01.08.97	31.01.98
	C	822	-	-	822	419	-	01.08.98	31.01.99
	C	720	-	-	720	479	-	01.08.99	31.01.00
	C	806	-	-	806	428	-	01.08.00	31.01.01
	D	43,656	-	-	43,656	570	-	08.08.94	08.08.01
	D	5,523	-	-	5,523	609	-	08.01.96	08.01.03
	D	6,869	-	-	6,869	631	-	20.12.96	20.12.03
	D	20,378	-	-	20,378	552	-	19.12.97	19.12.04
	E	19,072	-	-	19,072	516	-	18.12.98	18.12.02
	F	3,491	-	-	3,491	485	-	18.12.98	18.12.02
	E	-	28,189	-	28,189	427.5	-	10.12.99	10.12.03
	C	-	953	-	953	362	-	01.08.02	31.01.03
<b>TOTAL</b>		<b>102,767</b>	<b>29,142</b>	<b>-</b>	<b>131,909</b>				

- B Employee Share Option (No 2) Scheme  
 C 1991 Share Savings Scheme  
 D 1991 Executive Share Option Scheme  
 E & F 1991 International Executive Share Option Scheme

The interests of those directors who are also directors of Allied Domecq PLC and details of the share capital option schemes are disclosed in the Report and Accounts of that company.

There were no contracts of significance in relation to the company's business subsisting during or at the end of the period in which any director had a material interest.

The middle market price of the ordinary shares at 23 August 1997 was 466.5p and the range during the year was 412.5p to 487.5p.

#### AUDITORS

Our auditors KPMG, have indicated that a limited liability company, KPMG Audit Plc, is to undertake part of their audit business. Accordingly, on 15 April 1997 the company passed a resolution to appoint KPMG Audit Plc as auditor of the company.

By order of the Board

*K. Oginsky*

K A Oginsky  
 Director  
 29 January 1998

107 Station Street  
 Burton-on-Trent  
 Staffs  
 DE14 1BZ

## STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the 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 those financial statements, 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 financial statements;
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Report of the auditor, KPMG Audit Plc, to the members**

**of Allied Domecq Retailing Limited**

We have audited the financial statements on pages 8 to 18.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 6 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 financial statements and to report our opinion to you.

**BASIS OF 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 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 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 23 August 1997 and of its loss for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
London

Chartered Accountants  
Registered Auditor

*21 May 1998*



**ALLIED DOMECO RETAILING LIMITED**

**PROFIT AND LOSS ACCOUNT**

**53 Weeks ended 23 August 1997**

		53 weeks 1997 <u>£m</u>	52 weeks 1996 <u>£m</u>
	Notes		
Operating income	2	0.5	1.2
Income from shares in group undertakings		<u>201.4</u>	<u>78.0</u>
<b>Operating profit</b>		201.9	79.2
Profit on disposal fixed assets	6	2.8	-
Provision against fixed asset investment	6	-	(19.0)
Release of reorganisation provision	6	9.7	-
		<u>214.4</u>	<u>60.2</u>
<b>Profit on ordinary activities before interest</b>		214.4	60.2
Interest payable	4	(8.0)	(7.5)
		<u>206.4</u>	<u>52.7</u>
<b>Profit on ordinary activities before taxation</b>		206.4	52.7
Taxation on profit on ordinary activities	5	5.1	5.7
		<u>211.5</u>	<u>58.4</u>
<b>Profit on ordinary activities after taxation</b>		211.5	58.4
Earned for ordinary shareholders in the period		211.5	58.4
Dividends	17	(215.0)	(53.5)
		<u>(3.5)</u>	<u>4.9</u>
<b>Retained (loss)/profit for the period</b>		(3.5)	4.9

There are no discontinued or acquired operations.

There were no recognised gains and losses in the period other than those passing through the profit and loss account.

Historic cost profit is not materially different from the reported profit.

The accounting policies and notes on pages 11 - 18 form part of these accounts.

**ALLIED DOMECQ RETAILING LIMITED**

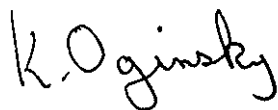
**BALANCE SHEET**

**at 23 August 1997**

	Notes	1997 £m	1996 £m
<b>Fixed assets :</b>			
Tangible assets	7	1.3	1.3
Investments and loans	8	1,911.9	1,926.1
<b>Current Assets:</b>			
Debtors	12	3.6	4.7
<b>Creditors : Amounts falling due within one year :</b>			
Other Creditors		(1.1)	(1.7)
<b>Net current assets</b>		<u>2.5</u>	<u>3.0</u>
<b>Total assets less current liabilities</b>		<u>1,915.7</u>	<u>1,930.4</u>
 <b>Creditors : Amounts falling due after more than one year :</b>			
Amounts owing to group undertakings	14	(362.6)	(361.5)
 Provisions for liabilities and charges	13	-	(12.3)
<b>Net Assets</b>		<u>1,553.1</u>	<u>1,556.6</u>
 <b>Capital and reserves:</b>			
Called up share capital	15	49.0	49.0
Share premium account	16	11.9	11.9
Profit and loss account	16	<u>1,492.2</u>	<u>1,495.7</u>
<b>Shareholders' funds - equity</b>		<u>1,553.1</u>	<u>1,556.6</u>

The accounting policies and notes on pages 11 - 18 form part of these financial statements.

The financial statements were approved by the board on 29 January 1998 and signed on its behalf by:



K A Oginsky  
Director

**RECONCILIATION OF MOVEMENTS IN**

**SHAREHOLDERS' FUNDS**

**53 Weeks ended 23 August 1997**

	53 weeks 1997 £m	52 weeks 1996 £m
Earned for ordinary shareholders in the period	211.5	58.4
Ordinary dividends	(215.0)	(53.5)
Net movement in shareholders' funds	(3.5)	4.9
Shareholders' funds at 17 August 1996	1,556.6	1,551.7
Shareholders' funds at 23 August 1997	1,553.1	1,556.6

## **ALLIED DOMECO RETAILING LIMITED**

### **Notes on the financial statements**

The accounting policies which are set out below form part of these financial statements.

#### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

##### **Basis of Preparation.**

The financial statements have been prepared under the historical cost accounting rules and have been prepared in accordance with applicable accounting standards.

##### **Deferred Tax**

Account is taken, on the liability basis, for the tax effect arising from all timing differences to the extent that it is probable that a liability or asset will crystallise.

##### **Investments**

Investments are stated at cost, less provision for any permanent diminution in value. The market value of listed investments are based on market price or directors' valuation, as appropriate.

The profit or loss on disposal of investments included in profit before tax is the difference between net proceeds and book value.

##### **Depreciation**

No depreciation is provided on land or most other properties which are freehold or held on lease for the term of or exceeding 100 years unexpired. Other buildings, plant and equipment are depreciated over their estimated useful lives. The rates used are in note 9 to the accounts.

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#### **2. Operating income.**

	53 weeks 1997 £m	52 weeks 1996 £m
Investment income (see note 11)	0.5	1.2

The company had no employees.

### 3. Remuneration of Directors

	53 Weeks 1997 £000s	52 Weeks 1996 £000s
Directors' emoluments	1,098	985
Compensation for loss of office	-	248

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £178K (1996:£147K). He is a member of a defined benefit scheme, under which his accrued pension at the year end was £90K. Under this scheme there is no separate entitlement to a lump sum benefit.

The directors' emoluments above have been paid by Ind Coope (Oxford & West) Limited a principal subsidiary. Certain of the directors, including the chairman, have been paid by Allied Domecq PLC which has not raised any charge against this company for their services.

	Number of Directors	
	1997	1996
Retirement benefits are accruing to the following number of directors under defined benefit schemes	7	8
The number of directors who exercised share options was	1	4

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4. <u>Interest (payable)/receivable</u>	53 weeks 1997 £m	52 weeks 1996 £m
Interest on borrowings from the Parent Undertaking (note 14)	(0.1)	(0.1)
Interest on borrowings from fellow subsidiary undertakings	(8.3)	(7.7)
Deposit and other interest receivable	0.4	0.3
	(8.0)	(7.5)

5. <u>Taxation</u>	53 weeks 1997 £m	52 weeks 1996 £m
The credit for tax on the loss for the period comprises:-		
United Kingdom taxation:		
Tax charge on UK dividends receivable	(0.1)	(0.3)
Corporation tax at 32.22%	2.6	6.0
Deferred tax	2.6	-
	5.1	5.7

The deferred tax credit £2.6m (1996:£nil) relates to profit on sale of fixed assets.

6. <u>Exceptional items</u>	53 weeks 1997 £m	52 weeks 1996 £m
Provision against fixed asset investment	-	(19.0)
Release of reorganisation provision made in prior years	9.7	-
Profit on sale of fixed assets	2.8	-

The release of reorganisation provision represents the release of an amount originally provided in connection with the Tied Estate Order against the carrying value of fixed assets which have been disposed of during the year by a fellow group undertaking.

The provision against fixed asset investment last year was raised to reflect the disposal by a subsidiary company of its investment in Carlsberg-Tetley PLC.

#### 7. Tangible Assets - Net Balances

<u>Industrial &amp; Other Properties and Production Facilities</u>	At Cost	Depreciation	Net Balance 23 August 1997 £m	Net Balance 17 August 1996 £m
Freehold Properties	1.4	(0.1)	1.3	1.3
<u>Movement in Tangible Assets</u>				
<u>Industrial &amp; Other Properties and Production Facilities</u>	At Cost	Depreciation	Net Balance £m	
	£m	£m	£m	
Balance at 17 August 1996	1.4	(0.1)	1.3	
Additions	-	-	-	
Depreciation	-	-	-	
Balance at 23 August 1997	1.4	(0.1)	1.3	

8. Investments and Loans

	Shares in group undertakings	Loans to group undertakings	Participating interests (note 10)	Other investments and loans (note 11)	Total
	£m	£m	£m	£m	£m
Cost:					
At beginning of period	2,011.2	20.2	7.9	22.3	2,061.6
Additions	0.7	-	-	-	0.7
Disposals and transfers	0.2	-	(0.2)	(19.9)	(19.9)
At end of period	2,012.1	20.2	7.7	2.4	2,042.4
Provision:					
At beginning of period	(126.3)	-	(3.4)	(5.8)	(135.5)
Disposals	-	-	-	5.0	5.0
At end of period	(126.3)	-	(3.4)	(0.8)	(130.5)
Net book value 1997	1,885.8	20.2	4.3	1.6	1,911.9
Net book value 1996	1,884.9	20.2	4.5	16.5	1,926.1

9. Depreciation

The main rates of depreciation and methods of calculation are:

Plant, machinery and equipment

Plant, machinery and equipment	5% to 20% on cost
Motor vehicles - commercial	15% on cost
- cars	20% on cost

Buildings

Industrial buildings	Straight line over 50 years or remaining life, if less.
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10. <u>Participating interests</u>	1997 £m	1996 £m
Shares in unlisted participating interests at cost	4.3	4.5
<u>Directors' valuation</u>	<u>4.3</u>	<u>4.5</u>

The above figures at 23 August 1997 comprise the book value attributable to the company based on the latest financial statements of the following participating interest. This is valued on the basis of net equity held.

	Country of incorporation	% of equity	Share capital held	Aggregate capital and reserves (overdrawn) £m	(Loss) for its financial year £m
St. Paul's Square Development Ltd	UK	50	500 A ordinary shares	(2.9)	(0.1)

#### 11. Other Investments and Loans

	At cost less amounts written off £m	1997 Market value or directors' valuation £m	Income for the period £m	At cost less amounts written off £m	1996 Market value or directors' valuation £m	Income for the period £m
Listed investments	1.6	1.6	0.1	1.6	1.6	0.1
Unlisted investments	-	-	0.4	14.9	14.9	1.1
	<u>1.6</u>	<u>1.6</u>	<u>0.5</u>	<u>16.5</u>	<u>16.5</u>	<u>1.2</u>

12. <u>Debtors</u>	1997 £m	1996 £m
Corporation tax recoverable	3.0	4.1
Other debtors	0.6	0.6
	<u>3.6</u>	<u>4.7</u>

Debtors include deferred disposal proceeds of £0.6m (1996:£0.6m) due after more than one year.

#### 13. Provision for Liabilities and Charges

<u>Provision for Liabilities and Charges</u>		Reorg- anisation  <u>£m</u>	Deferred Tax  <u>£m</u>	Total Provision  <u>£m</u>
Balance at 17 August 1996		9.7	2.6	12.3
Profit and loss account		<u>(9.7)</u>	<u>(2.6)</u>	<u>(12.3)</u>
Balance at 23 August 1997		<u>-</u>	<u>-</u>	<u>-</u>
Deferred Taxation	Amount provided	Full potential liability	Amount provided	Full potential liability
	1997	1997	1996	1996
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Short-term timing differences	-	-	2.6	2.6



#### 14. Amounts Owing to Group Undertakings

##### Amounts Owing to Parent Undertaking

		1997			1996	
	Rates of	Balance	Interest	Rates of	Balance	Interest
	Interest	23 August	for the	Interest	17 August	for the
		1997	period		1996	period
		£m	£m		£m	£m
Current account	8.00%	1.5	0.1	6.75% - 7.75%	1.4	0.1
Interest free loan	nil	19.4	-	nil	-	-
Accrued dividend	nil	88.5	-	nil	-	-
Proposed dividend	nil	45.0	-	nil	41.5	-
		<u>154.4</u>	<u>0.1</u>		<u>42.9</u>	<u>0.1</u>

##### Amounts Owing to Subsidiary and Fellow Subsidiary Undertakings

		£m	£m		£m	£m
Subsidiary undertakings:						
Interest free loans	nil	273.1	-	nil	269.4	-
Interest bearing loan	8.00%	98.1	9.2	6.75% - 7.75%	127.2	7.7
Accrued dividend	nil	(163.0)	-	nil	(78.0)	-
		<u>208.2</u>	<u>9.2</u>		<u>318.6</u>	<u>7.7</u>
		<u>362.6</u>			<u>361.5</u>	

#### 15. Share Capital

	£m
Authorised share capital at 17 August 1996 and 23 August 1997	
Ordinary stock units of 25p each	60.0
Allotted, called up and fully paid Ordinary stock units of 25p each	
Balance at 17 August 1996 and 23 August 1997	49.0

#### 16. Share premium account and reserves

	1997	1996
	£m	£m
Profit and loss account		
Balance at 17 August 1996	1,495.7	1,490.8
Retained (loss)/profit for the period	(3.5)	4.9
Balance at 23 August 1997	<u>1,492.2</u>	<u>1,495.7</u>
Share premium account		
Balance at 17 August 1996 and 23 August 1997	<u>11.9</u>	<u>11.9</u>

**17. Dividends**

	1997 £m	1996 £m
First Interim	81.5	12.0
Second Interim	88.5	-
Proposed Final	45.0	41.5
Total	215.0	53.5

**18. Contingent Liabilities**

	1997 £m	1996 £m
A floating charge exists on the undertaking and assets of this company by way of collateral security for the debenture stocks of the parent undertaking Allied Domecq PLC.	425.0	425.0
Under the group registration, the company is jointly and severally liable for value added tax due by other group companies.	18.8	35.1

**19. Related Party Transactions**

As the company is a wholly owned subsidiary of Allied Domecq PLC, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

**20. Ultimate parent company**

The company is ultimately controlled by its parent company Allied Domecq PLC. Allied Domecq PLC is incorporated in Great Britain and registered in England and Wales, accordingly no group accounts are submitted for the company and its subsidiary undertakings. In the opinion of the directors, the value of the company's investment in its subsidiary undertakings consisting of shares in and amounts due therefrom or thereto, is not less than the aggregate of the amount at which these assets and liabilities are included in the balance sheet.

The group financial statements of the ultimate parent company, Allied Domecq PLC, are available from 24 Portland Place, London, W1N 4BB.

Particulars of the company's main subsidiary undertakings are given on page 18. The whole of the issued share capital of these companies is owned by the company.

Under Financial Reporting Standard 1 (Revised 1996) the company is exempt from the requirement to prepare a cashflow statement on the grounds it is a wholly owned subsidiary undertaking.

## PRINCIPAL SUBSIDIARIES

MAIN OPERATING COMPANIES	EQUITY INTEREST (%)	COUNTRY OF OPERATION	PRINCIPAL BRANDS AND PRODUCTS OR ACTIVITIES
Ind Coope (Oxford & West) Limited, trading as :-			
Allied Domecq Leisure	100	UK	Big Steak Pubs, Wacky Warehouses, Firkin, Scruffy, Murphy's, quality pubs, young venues and nightclubs
Allied Domecq Inns	100	UK	Mr Q's, Festival Ale Houses, Tetley, Ansells, Benskins, Friary Meux, ABC, Halls, Ind Coope, Taylor Walker, Nicholson's, Alloo Pubs and Restaurants and Vanguard Leases
The Victoria Wine Company	100	UK, France	Victoria Wine, Victoria Wine Cellars, Haddows
Baskin-Robbins (Eastern) Limited	100	Russia	Baskin-Robbins ice cream, Dunkin' Donuts