

ALLIED DOMEQ SPIRITS & WINE HOLDINGS PLC

Directors' Report and Accounts

Year to 31 August 1999

Registered number : 2869879



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Report of the directors

YEAR TO 31 AUGUST 1999

The financial statements for the year are set out on pages 6 to 11.

REVIEW OF THE FINANCIAL PERIOD

The profit after taxation for the year ended 31 August 1999 was £nil.

ACTIVITIES

The principal activity of the company is to act as a holding company. The subsidiary company is shown in note 5 to the accounts.

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 adopt the going concern basis in preparing the financial statements.

YEAR 2000

The company will not be significantly impacted by the risks and uncertainties associated with the Year 2000 problem.

DIRECTORS

The following served as directors during the year:-

Mr A J Hales	(Resigned 31 August 1999)
Mr D S Mitchell	
Mr J A F Trigg	(Resigned 12 January 1999)
Mr G C Hetherington	(Appointed 3 August 1999)
Mr P Bowman	(Appointed 12 January 1999)

Report of the directors

YEAR TO 31 AUGUST 1999

Directors' interests

G C Hetherington and P Bowman are also directors of Allied Domecq PLC and have their interests disclosed within those accounts, as are the interests of A J Hales and J A F Trigg who resigned as directors in the year.

The beneficial interests of the other director in the ordinary share capital of Allied Domecq PLC at 31 August 1999 and 1 September 1998 were as follows:

	At 31 August 1999 Ordinary Shares	At 1 September 1998 Ordinary Shares
D S Mitchell	80,472	68,909
Total of other director's beneficial interests	80,472	68,909

Options in respect of ordinary shares in Allied Domecq PLC were exercised by Mr D S Mitchell (80,049). These figures include options under Allied Domecq PLC's savings-related share option schemes.

Report of the directors

YEAR TO 31 AUGUST 1999

AUDITOR

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as the auditor to the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



D S Mitchell DIRECTOR
25 November 1999

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 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 a 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

AUDITOR'S REPORT TO THE MEMBERS OF ALLIED DOMEQ SPIRITS & WINE HOLDINGS PLC

We have audited the financial statements on pages 6 to 11.

Respective responsibilities of directors and auditors

As described on page 4 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 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 affairs of the company as at 31 August 1999 and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered accountants

Registered auditor

London

25 November 1999

Profit and loss account

YEAR TO 31 AUGUST 1999

	Note	1999 £000's	1998 £000's
Operating loss from continuing operations	2	-	(1)
Dividends received from subsidiaries		-	-
Interest receivable	3	-	4
Profit on ordinary activities before taxation		<u>-</u>	<u>3</u>
Taxation on profit on ordinary activities	4	-	(1)
Profit on ordinary activities after taxation		<u>-</u>	<u>2</u>
Ordinary dividends		-	-
Retained profit	9	<u>-</u>	<u>2</u>

There are no recognised gains or losses other than the profit for the year.

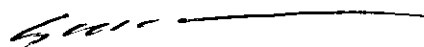
There is no difference between the profit on ordinary activities for the year as disclosed in the profit and loss account and the results stated on an unmodified historical cost basis.

Balance sheet

AS AT 31 AUGUST 1999

	Note	1999 £000's	1998 £000's
Fixed assets			
Investments	5	2,000,000	2,000,000
Current assets			
Debtors	6	45,829	45,830
Less creditors: amounts falling due within one year	7	<u>(45,768)</u>	<u>(45,769)</u>
Net current assets		61	61
Net assets		<u>2,000,061</u>	<u>2,000,061</u>
Capital and reserves			
Called up share capital	8	2,000,050	2,000,050
Profit and loss account	9	<u>11</u>	<u>11</u>
Shareholders' funds		<u>2,000,061</u>	<u>2,000,061</u>

Approved by the board on 25 November 1999 and signed on its behalf by:


G C Hetherington
Director

Reconciliation of movements in shareholders' funds

YEAR TO 31 AUGUST 1999

	1999 £000's	1998 £000's
Shareholders' funds at the beginning of the year	2,000,061	2,000,059
Total recognised gains and losses for the year	-	2
Shareholders' funds at the end of the year	<u>2,000,061</u>	<u>2,000,061</u>

Notes to the accounts

YEAR TO 31 AUGUST 1999

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 accounts are prepared under the historical cost convention, and comply with applicable UK Accounting Standards.

Group accounts

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No.1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Allied Domecq PLC, and its cash flows are included within the consolidated cash flow statement of the group.

Related party transactions

The company is exempt under paragraph 3 (c) of Financial Reporting Standard No. 8 related party transactions from disclosing transactions with entities that are part of the group.

Fixed asset investments

Fixed asset investments are stated at cost, less provision for any permanent diminution in value.

2 PROFIT AND LOSS ACCOUNT

The directors received no remuneration in respect of their services to the company (1998: nil). The interests of directors in the share capital of Allied Domecq PLC are given on page 2. The auditors remuneration for their services in the year is paid by another group company. During the year there were no employees in the company (1998 : nil).

	1999	1998
	£000's	£000's
3 INTEREST RECEIVABLE		
Interest receivable from group companies	-	4

	1999	1998
	£000's	£000's
4 TAXATION		
The charge for taxation on the profit for the year comprises:		
United Kingdom Taxation		

Notes to the accounts

YEAR TO 31 AUGUST 1999

5	INVESTMENTS	1999 £000's	1998 £000's
	At the beginning and end of the year	2,000,000	2,000,000

SHARES IN SUBSIDIARY UNDERTAKINGS

The subsidiary undertaking at 31 August 1999 was:-

SUBSIDIARY	Country of Incorporation or Registration	Proportion of nominal value of issued shares held
Allied Domecq Spirits & Wine Limited	England & Wales	100%

6	DEBTORS	1999 £000's	1998 £000's
	Amounts owed by group undertakings	45,829	45,830

7	CREDITORS	1999 £000's	1998 £000's
	Amounts falling due within one year		
	Amounts due to group undertakings	45,768	45,768
	Corporation tax payable	-	1
		45,768	45,769

8	SHARE CAPITAL	Authorised		Allotted, called up and fully paid	
		1999 £000's	1998 £000's	1999 £000's	1998 £000's
	Ordinary shares of £1	2,500,000	2,500,000	2,000,050	2,000,050

Notes to the Accounts

YEAR TO 31 AUGUST 1999

9	PROFIT AND LOSS ACCOUNT	1999 £000's	1998 £000's
	At the beginning of the year	11	9
	Retained profit	-	2
	At the end of the year	11	11

10	CONTINGENT LIABILITIES	1999 £000's	1998 £000's
	The company is jointly and severally liable for the UK VAT liability of Allied Domecq (Holdings) PLC which at the end of the year amounted to:	10,865	15,867

11 ULTIMATE PARENT COMPANY

The largest group in which the results of the company are consolidated is that headed by Allied Domecq PLC, a company incorporated in Great Britain. The consolidated accounts of this company are available to the public and may be obtained from:

The Company Secretary
Allied Domecq PLC
The Pavilions
Bridgwater Road
Bedminster Down
BRISTOL
BS13 8AR

No other group accounts include the results of the company.