

Company Registration No. 02869879 (England and Wales)

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016



ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	I Fitzsimons H Fetter S Macnab
Secretary	A Mapplebeck
Company number	02869879
Registered office	Chivas House 72 Chancellors Road Hammersmith London W6 9RS
Auditor	Mazars LLP 90 St. Vincent Street Glasgow G2 5UB

ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

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ALLIED DOMEcq SPIRITS & WINE HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present the strategic report and financial statements for the year ended 30 June 2016.

Introduction

The principal activity of the Company is that of an investment holding company. The Company also provides management and accounting support for all UK resident companies under the control of Allied Domecq (Holdings) Limited, a fellow subsidiary in the Pernod Ricard group.

The Company's results have been prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102"), for the first time for the year ended 30 June 2016. Comparative figures for the previous year have also been restated on this basis. As a result of the transition to FRS102, the Company's functional currency has changed to EUR. Full reconciliations of equity and of profit or loss from previous UK GAAP to FRS102 are contained in Note 20 of the accounts.

Business review

The Company made a profit on ordinary activities before tax of €702.1m (2015: €1,356.7m). Prior year profits included one-off dividends of €516.0m from the liquidation of Capri LP, a partnership in which the Company was the limited partner; a gain on the liquidation of Capri LP of €333.8m, and a foreign exchange gain on GBP financing activities of €82.1m.

The key component of the profit for the year is dividend income of €671.6m, which includes €474.7m of one-off dividend receipts.

The Company's financing activities resulted in net interest receivable of €30.4m, (2015: €17.1m). The increase in interest receipts arose from higher lending to the Company's parent in May 2015. The Company's net GBP lending was replaced by EUR lending on 1 July 2015.

The Company remains committed to funding its investments in subsidiary companies using a mix of debt and equity financing and the directors are satisfied with the overall performance of the underlying equity investments.

Principal risks and uncertainties

The principal risks facing the Company are interest rate risk and currency risk. The Company manages these risks by financing its operations through Group borrowings made in the desired currencies at floating rates.

As the Company is a holding company, it is reliant on the executive management teams within the operational businesses to manage competitive pressures in all of the markets in which they operate and to grow the business in line with forecast expectations. The Company receives and reviews operating reports from these businesses and exercises appropriate management oversight.

Financial key performance indicators

In addition to operating reviews, the Company monitors changes in the underlying value of equity investments and uses the results of this monitoring process to ensure there is no permanent diminution in the carrying value of its equity investments.

Going concern

After making enquiries, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

Financial instruments

Treasury operations and financial instruments

The Pernod Ricard Group ("Group") operates a centralised treasury function. The directors make use of this facility to assist in managing liquidity, interest rate and foreign currency risks associated with the Group's activities.

Liquidity risk

The Group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The Group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on its floating rate deposits, bank overdrafts and loans. The Group uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates where appropriate. The Company has no interest rate swaps in place as all loan balances are within the Pernod Ricard S.A. group.

Foreign currency risk

The Group's principal foreign currency exposures arise from trading operations in overseas companies. Group policy permits but does not demand that these exposures may be hedged. This hedging activity involves the use of foreign exchange forward contracts.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks which must fulfill credit rating criteria approved by the Board of Pernod Ricard S.A.

On behalf of the board



S Macnab

Director

14 December 2016

ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their annual report and financial statements for the year ended 30 June 2016. The following information is not included in the Directors' Report because it is shown in the Strategic Report:

Business review
Principle risks and uncertainties
Financial key performance indicators
Going concern
Financial instruments

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

I Fitzsimons
H Fetter
S Macnab

Results and dividends

The Directors declared and paid interim dividends of €155,613,000 for the year ended 30 June 2016. Year ended 2015: €625,939,000 (£463,870,000).

Auditor

In order to ensure good corporate governance, the Audit Committee of the Company's ultimate holding company, Pernod Ricard S.A. (PRSA), recommended that the provision of external audit services currently performed by Mazars, one of PRSA's two principal statutory auditors, be put out to tender in 2016. Following a transparent and competitive tender, KPMG S.A. was appointed to replace Mazars as a principal statutory auditor of the Group at PRSA's 2016 Annual General Meeting. For consistency, the Company will appoint KPMG Audit Plc. as auditor to replace Mazars LLP in accordance with section 485 of the Companies Act 2006, commencing with the 2017 financial year.

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 *"The Financial Reporting Standard applicable in the UK and Republic of Ireland"*. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

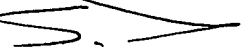
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

On behalf of the board



S Macnab

Director

14 December 2016

ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

We have audited the financial statements of Allied Domeq Spirits & Wine Holdings Limited for the year ended 30 June 2016 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

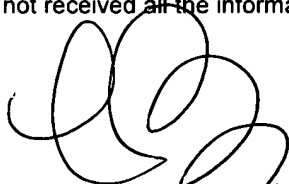
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



Jacqueline Berry (Senior Statutory Auditor)
for and on behalf of Mazars LLP

14 December 2016

Chartered Accountants
Statutory Auditor

90 St. Vincent Street
Glasgow
G2 5UB

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 €'000	2015 €'000
Income from shares in group undertakings		671,585	923,354
Other operating income		52	217
Operating profit		671,637	923,571
Gain on disposal of fixed asset investments	5	-	333,823
Interest receivable and similar income	6	30,561	17,478
Foreign exchange gain on financing activities		88	82,137
Interest payable and similar charges	7	(175)	(346)
Profit before taxation		702,111	1,356,663
Taxation	8	-	-
Profit for the financial year		702,111	1,356,663
Other comprehensive income		-	-
Total comprehensive income for the year		702,111	1,356,663

The Statement of Total Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 24 are an integral part of these financial statements.

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 €'000	2015 €'000
Fixed assets			
Investments	10	7,364,119	7,364,119
Current assets			
Debtors: amounts falling due after more than one year	12	2,300,500	1,753,716
Cash at bank and in hand		23	20
		<u>2,300,523</u>	<u>1,753,736</u>
Creditors: amounts falling due within one year	13	<u>(359)</u>	<u>(361)</u>
Net current assets		<u>2,300,164</u>	<u>1,753,375</u>
Total assets less current liabilities		<u>9,664,283</u>	<u>9,117,494</u>
Creditors: amounts falling due after more than one year	14	(11,048)	(10,757)
Net assets		<u><u>9,653,235</u></u>	<u><u>9,106,737</u></u>
Capital and reserves			
Called up share capital	16	6,072,989	6,072,989
Profit and loss reserves		3,580,246	3,033,748
Total equity		<u><u>9,653,235</u></u>	<u><u>9,106,737</u></u>

The notes on pages 10 to 24 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 14 December 2016 and are signed on its behalf by:



S Macnab
Director

Company Registration No. 02869879

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Share capital €'000	Share premium account €'000	Profit and loss reserves €'000	Total €'000
Balance at 1 July 2014		6,072,989	2,385,553	(82,529)	8,376,013
Year ended 30 June 2015:					
Profit and total comprehensive income for the year		-	-	1,356,663	1,356,663
Dividends	9	-	-	(625,939)	(625,939)
Capital reduction		-	(2,385,553)	2,385,553	-
Balance at 30 June 2015		6,072,989	-	3,033,748	9,106,737
Year ended 30 June 2016:					
Profit and total comprehensive income for the year		-	-	702,111	702,111
Dividends	9	-	-	(155,613)	(155,613)
Balance at 30 June 2016		6,072,989	-	3,580,246	9,653,235

The notes on pages 10 to 24 are an integral part of these financial statements.

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

Allied Domecq Spirits & Wine Holdings Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Chivas House, 72 Chancery Lane, Hammersmith, London, W6 9RS. The principal place of business is 111-113 Renfrew Road, Paisley, PA3 4DY.

The Company is a wholly owned subsidiary of Pernod Ricard S.A. and its results are included in the consolidated financial statements of Pernod Ricard S.A.

1.1 Accounting convention

These financial statements for the year ended 30 June 2016 are the first financial statements of the Company prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The date of transition to FRS 102 was 1 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 20. The last financial statements prepared under previous UK GAAP were as at 30 June 2015.

The financial statements are prepared in EUR, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €'000.

The financial statements have been prepared under the historical cost convention and on a going concern basis. The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

1.2 Reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by Section 1 of FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.41 to 11.48A, financial instruments disclosures;
- the requirements of Section 12 Other Financial Instrument Issues paragraphs 12.27 to 12.29, hedge accounting disclosures;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7, key management personnel compensation.

This information is included in the consolidated financial statements of Pernod Ricard S.A. as at 30 June 2016.

1.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported in the profit and loss account during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Assessing indicators of impairment

Investments

The Company undertakes an annual valuation exercise for key holding companies in the UK Group using the results from a valuation model developed for the purposes of assessing impairment of the carrying value of its investment.

The model uses discounted future estimated cashflows in relevant trading companies adjusted for net debt. Cashflows have been projected in perpetuity, using average long term growth rates ranging from -1% to 2.5% as appropriate for the brand involved, and an average discount rate ranging from 7.25% to 11% dependent on the brand.

Other assets

The Company assesses for any indication that its other assets may be impaired by considering whether any significant changes have taken place, or are expected to take place, which could have an adverse effect on the entity.

Assessing functional currency

The directors are required to identify the functional currency of the Company. In making this decision the directors have used judgement to determine which currency represents the economic effects of the underlying transactions, events and conditions.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The intention is that the amount included in creditors due within one year will be repaid using intercompany funding from a fellow subsidiary. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Revenue

Dividend income receivable is recognised when the Company's right to receive the payment is established and is classified as forming part of operating profit from ordinary activities.

1.6 Fixed asset investments

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Any impairment losses or reversals of impairment losses are recognised immediately in the Statement of Total Comprehensive Income.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.8 Financial assets and liabilities

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Basic financial assets

Basic financial instruments which include trade payables and receivables; inter-company lending arrangements; and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected unless the arrangement constitutes a financing transaction, where the Company measures the debt instrument at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.9 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Total Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.11 Retirement benefits

The Company participated in the Chivas Brothers Limited group wide pension scheme providing benefits based on final pensionable pay. There was no contractual agreement, or stated policy, for charging the net defined benefit cost of the defined benefit scheme to individual group entities. Chivas Brothers Limited is legally responsible for the scheme and recognises the net defined benefit cost in its individual financial statements. The Company recognised a cost equal to its contribution payable for the period. The Company ceased to be an employer in the Chivas Brothers Limited pension scheme on 1 July 2016.

The Company also operated a defined contribution scheme for the benefit of its employees. Contributions payable were charged to the Statement of Total Comprehensive Income in the year they were payable. On 1 July 2016, the remaining employees of the Company became Chivas Brothers Limited employees, a fellow group company.

1.12 Foreign exchange

Transactions in currencies other than EUR are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Statement of Total Comprehensive Income for the period.

2 Auditors' remuneration

The current and prior year audit fee has been borne by another group company.

3 Directors' remuneration

The directors received no remuneration during the year to 30 June 2016 in respect of their services to the Company (2015: nil).

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Administration	8	8
	<u>8</u>	<u>8</u>
	2016 €'000	2015 €'000
Wages and salaries	525	535
Social security costs	56	54
Pension costs	185	104
	<u>766</u>	<u>693</u>

5 Gain on disposal of investments

	2016 €'000	2015 €'000
Gain on liquidation of partnerships	-	333,823
	<u>-</u>	<u>333,823</u>

On 27 May 2015, the partnership Capri LP, in which the Company was the General partner, was liquidated. On liquidation, the Company received its share of the partnership assets being a 99.48% share of Acorn LP and €946,767,000 of cash. The Company and Allied Domecq Atlantic Finance Limited (ADAF) replaced Capri LP as the limited partner in Acorn LP. As a result of this transaction, the Company recognised a disposal cost of €617,957,000 and a gain on disposal of €328,810,000.

On 29 May 2015, the partnership Acorn LP, in which the Company had become a limited partner on 27 May 2015, was liquidated. On liquidation, the Company received its share of the partnership assets being a 99.52% share of CBL and €29,273,000 of cash. The Company recognised a disposal cost of €24,260,000 in respect of this transaction and a gain on disposal of €5,013,000.

6 Interest receivable and similar income

	2016 €'000	2015 €'000
Interest receivable from group companies	30,561	17,478
	<u>30,561</u>	<u>17,478</u>

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

7 Interest payable and similar charges

	2016 €'000	2015 €'000
Interest payable to group undertakings	175	346

8 Taxation

The charge for the year can be reconciled to the statement of total comprehensive income as follows:

	2016 €'000	2015 €'000
Profit before taxation	702,111	1,356,663
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)	140,422	281,508
Tax effect of income not taxable in determining taxable profit	(134,317)	(277,918)
Other differences	-	4,822
Surrender of tax losses from group companies	(6,105)	(8,412)
Tax expense for the year	-	-

The tax charge for the year to 30 June 2016 has been reduced by €6,105,000 (2015: €8,412,000) in respect of losses claimed from group companies for nil consideration.

Factors that may affect future tax charges

The company's tax charge in future periods will be affected by the availability of group relief for any losses that are incurred by other group undertakings.

Summer Finance Bill 2015 was substantively enacted on 26 October 2015, which had the effect of reducing the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. As these rate changes were enacted before the balance sheet date, any deferred tax assets or liabilities have been calculated at 19% or 18% in line with when the company anticipates the temporary differences will unwind.

Budget 2016 set out a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020, and included measures relating to the OECD Base Erosion and Profit Shifting Actions. These measures include limiting the utilisation of brought forward losses and interest deductions. These changes are not expected to have a material cash impact on the company.

9 Dividends

	2016 €'000	2015 €'000
Ordinary interim paid	155,613	625,939

The directors declared and paid interim dividends of €155,613,000 for the year ended 30 June 2016. Year ended 30 June 2015: €625,939,000 (£463,870,000).

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

10 Fixed asset investments

Previous financial year

	Participating interest in group undertakings	Shares in subsidiary undertakings	Total
	€'000	€'000	€'000
Cost			
At 1 July 2014	6,166,805	1,598,372	7,765,177
Additions	-	241,159	241,159
Disposals in respect of liquidated partnerships	(642,217)	-	(642,217)
Transfer on liquidation of partnership	(5,524,588)	5,524,588	-
At 30 June 2015	-	7,364,119	7,364,119
Carrying amount			
At 30 June 2015	-	7,364,119	7,364,119
At 30 June 2014	6,166,805	1,598,372	7,765,177

On 27 May 2015, the partnership Capri LP, in which the Company was the General partner, was liquidated. On liquidation, the Company received its share of the partnership assets being a 99.48% share of Acorn LP and €946,767,000 of cash. The Company and Allied Domecq Atlantic Finance Limited (ADAF) replaced Capri LP as the limited partner in Acorn LP. As a result of this transaction, the Company recognised a disposal cost of €617,957,000 and a gain on disposal of €328,810,000.

On 29 May 2015, the partnership Acorn LP, in which the Company had become a limited partner on 27 May 2015, was liquidated. On liquidation, the Company received its share of the partnership assets being a 99.52% share of CBL and €29,273,000 of cash. The Company recognised a disposal cost of €24,260,000 in respect of this transaction and a gain on disposal of €5,013,000.

There were no movements in fixed asset investments in the current financial year from 1 July 2015 to 30 June 2016.

Details on the Company's subsidiaries can be found in Note 11 to the accounts.

11 Subsidiaries

Details of the company's subsidiaries at 30 June 2016 are as follows:

Name of undertaking and country of incorporation or residency	Class of shareholding	% Held Direct
Allied Domecq Investment Holdings Limited England	Ordinary	100.00
Chivas Brothers Limited Scotland	Ordinary	100.00

Details of the Company's indirect subsidiaries can be found in Note 21 to the accounts.

ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

12 Debtors

	2016 €'000	2015 €'000
Amounts falling due after one year:		
Amounts owed by parent and fellow subsidiary undertakings	2,300,500	1,753,716

13 Creditors: amounts falling due within one year

	2016 €'000	2015 €'000
Other taxation and social security	6	8
Other creditors	314	337
Accruals and deferred income	39	16
	359	361

14 Creditors: amounts falling due after more than one year

	2016 €'000	2015 €'000
Amounts due to group undertakings	11,048	10,757
Loan maturity analysis		
In more than two years but not more than five years	11,048	10,757

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

15 Retirement benefit schemes

Defined Benefit Scheme - Chivas Brothers Pension Scheme

In the year to 30 June 2016, the Company was a member of the Chivas Brothers Pension Scheme, a group defined benefit pension scheme. Chivas Brothers Limited is legally responsible for the scheme and applies defined benefit accounting in its accounts. There was no contractual agreement or stated policy for charging the net defined benefit costs of the scheme to individual group entities and the Company cannot allocate the assets or liabilities of the scheme relating only to the Company. For full disclosure of the defined benefit scheme, refer to Chivas Brothers Limited financial statements. The Company has therefore recognised its contributions payable to the scheme as a cost for the year. On 1 July 2016, the Company ceased to be a participating employer in the Chivas Brothers Limited pension scheme.

The most recent triennial actuarial valuation is as at 5 April 2015 and was prepared by Mercer Human Resource Consulting Limited using the Projected Unit Method. The main actuarial assumptions were (a) price inflation of 3.16% per annum, (b) discount rate of 3.7%, (c) salary increases of 3.36% per annum and (d) Limited Price Indexation pension increases of 3.1% per annum. The valuation showed that the market value of the assets of the scheme was £480,259,000 and the actuarial value of the assets was sufficient to cover the value of each member's accrued benefits based on projected salaries to the extent of 99%. During the year total contributions made to the Scheme by all participating employers were 2016: £9,993,000 (2015: £10,638,000).

The pension scheme shows an FRS 102 deficit, as at 30 June 2016, of £63,579,000 (2015: £41,638,000). For the purposes of these financial statements, these figures are illustrative only and do not impact on the results or the balance sheet of the Company.

During the year the Company contributed €87,000 (2015: €89,000 (£69,000)) to the Scheme.

Defined Contribution Scheme

In the year to 30 June 2016, the Company participated in a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. Contributions payable by the Company during the year amounted to €20,000 (2015: €24,000 (£18,230)) and have been recognised in the profit and loss account. As at the balance sheet date, contributions amounting to €1,000 (2015: €2,000 (£1,416)) had not been paid over to the fund and are included within Creditors. On 1 July 2016, the employees ceased being employees of the Company and became employees of Chivas Brothers Limited, a fellow group company.

16 Share capital

	2016 €'000	2015 €'000
Ordinary share capital		
Issued and fully paid		
4,708,737,744 Ordinary Shares of £1 each	6,072,989	6,072,989

The Company has one class of ordinary shares with no right to fixed income.

17 Share premium account

The Company had a share premium account of €2,385,553,000 on transition to FRS 102 on 1 July 2014 representing the amount above the nominal value received for shares issued, less transaction costs.

On 28 April 2015, the Company completed a capital reduction of €2,385,553,000 by cancelling its share premium account.

ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

18 Controlling party

The Company's immediate shareholders are Chivas Holdings (IP) Limited, a company registered in Scotland and Allied Domecq (Holdings) Limited, a company registered in England.

The ultimate parent undertaking and controlling party is Pernod Ricard S.A., a company incorporated in France. Copies of its annual report may be obtained from 12 Place Des Etats-Unis, 75783 Paris, Cedex 16, France. This is the largest and smallest group into whose consolidated accounts the Company's financial information is consolidated.

19 Related party transactions

The Company has taken advantage of the exemption under the terms of paragraph 33.1A of FRS 102 from disclosing transactions with entities that are wholly owned by the Pernod Ricard S.A. group.

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

20 Explanation of transition to FRS 102

Reconciliation of equity

		At 1 July 2014		
		Effect of transition: change in functional currency	Effect of transition: other adjustments	As reported under FRS 102
Notes	As reported under previous UK GAAP £'000	€'000	€'000	€'000
Fixed assets				
Investments	6,397,146	7,765,177	-	7,765,177
Current assets				
Debtors: amounts falling due after more than one year	498,557	622,029	-	622,029
Bank and cash	14	17	-	17
Creditors: amounts falling due within one year	(8,986)	(11,210)	-	(11,210)
Net assets	<u>6,886,731</u>	<u>8,376,013</u>	<u>-</u>	<u>8,376,013</u>
Capital and reserves				
Share capital	4,708,738	6,072,989	-	6,072,989
Share premium	2,036,281	2,385,553	-	2,385,553
Profit and loss	141,712	(82,529)	-	(82,529)
Total equity	<u>6,886,731</u>	<u>8,376,013</u>	<u>-</u>	<u>8,376,013</u>

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

20 Explanation of transition to FRS 102

(Continued)

Reconciliation of equity

		At 30 June 2015		
		Effect of transition: change in functional currency	Effect of transition: other adjustments	As reported under FRS 102
Notes	As reported under previous UK GAAP £'000	€'000	€'000	€'000
Fixed assets				
Investments	5,990,543	7,364,119	-	7,364,119
Current assets				
Debtors: amounts falling due after more than one year	1,247,593	1,753,716	-	1,753,716
Bank and cash	14	20	-	20
Creditors: amounts falling due within one year	(257)	(361)	-	(361)
Creditors: amounts falling due after one year	(7,651)	(10,757)	-	(10,757)
Net assets	<u>7,230,242</u>	<u>9,106,737</u>	<u>-</u>	<u>9,106,737</u>
Capital and reserves				
Share capital	4,708,738	6,072,989	-	6,072,989
Share premium	-	-	-	-
Profit and loss	2,521,504	3,033,748	-	3,033,748
Total equity	<u>7,230,242</u>	<u>9,106,737</u>	<u>-</u>	<u>9,106,737</u>

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

20 Explanation of transition to FRS 102

(Continued)

Reconciliation of profit or loss for the year

	Year ended 30 June 2015			FRS 102: Effect of transition: change of functional currency
	As reported under previous UK GAAP £'000	Reclassification within P&L £'000	Total previous UK GAAP £'000	€'000
Turnover	698	(698)	-	-
Administrative expenses	(570)	570	-	-
Income from shares in group undertakings	676,165	-	676,165	923,354
Other operating income	-	128	128	217
Operating profit	676,293	-	676,293	923,571
Gain/(Loss) on disposal of investments	118,033	-	118,033	333,823
Interest receivable	13,319	-	13,319	17,478
Foreign currency gain on financing activities	-	-	-	82,137
Interest payable and similar charges	(264)	-	(264)	(346)
Profit before taxation	807,381	-	807,381	1,356,663
Taxation	-	-	-	-
Profit for the financial period	807,381	-	807,381	1,356,663

ALLIED DOMEQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

20 Explanation of transition to FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

Change in functional currency

The Company is a non-trading investment holding company and under FRS 102 its local currency has been determined as EUR. The Company was a member of the former Allied Domecq group, a UK group acquired by the French company Pernod Ricard S.A. on 26 July 2005. The Company had a GBP "local currency" under old UK GAAP but under FRS 102 rules it is considered a non-trading investment holding company that is an extension of its parent and its functional currency has been assessed as EUR.

On transition to FRS 102 on 1 July 2014, non-EUR denominated items in the Company's balance sheet have been re-translated. Monetary items have been translated at closing rate and non-monetary items at the appropriate historic rate.

A foreign exchange gain on financing activities of €82m has arisen in the FRS102 Statement of Total Comprehensive Income for the period 30 June 2015. The gain arose on net GBP loan receivables with fellow group companies which were repaid on 1 July 2015.

The previous UK GAAP figures include a reclassification of dividend income to operating profit. In prior years dividend income was presented below operating profit. In addition, turnover and administrative expenses associated with management and accounting support activities have been reallocated to other operating income.

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

21 Indirect subsidiaries

The company indirectly holds more than 50% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Allied Domecq Spirits & Wine Investment Holdings	England	Ordinary	100.00%
Allied Domecq Spirits & Wine Limited	England	Ordinary	100.00%
Caperdonich Distillery Company Limited	Scotland	Ordinary	100.00%
Chefco Limited	Scotland	Ordinary	100.00%
Chivas Brothers Pension Scheme (Trustee) Limited	Scotland	Ordinary	100.00%
Chivas Investments Limited	Scotland	Ordinary	100.00%
George & J.G. Smith Limited	Scotland	Ordinary	100.00%
Hill, Thomson & Co. Limited	Scotland	Ordinary	100.00%
Seagram Research Limited	England	Ordinary	100.00%
The Glenlivet Agencies Limited	Scotland	Ordinary	100.00%
The Glenlivet Distilleries Limited	Scotland	Ordinary	100.00%
The Glenlivet Mineral Water Company Limited	Scotland	Ordinary	100.00%
Warehouse Asset Management Limited	Scotland	Ordinary	100.00%
Bedminster Jersey	Jersey	Ordinary	100.00%
Allied Distillers Limited	Scotland	Ordinary	100.00%
Allied Domecq Former Rum Brands Limited	England	Ordinary	100.00%
Allied Domecq Former Rum Brands Limited	England	B Ordinary	100.00%
Allied Domecq Former Rum Brands Limited	England	Deferred	100.00%
Allied Domecq Spirits & Wine (Overseas) Limited	England	Ordinary	100.00%
Glenburgie Distillery Limited	England	Ordinary	100.00%
Beefeater Distillery Limited	England	Ordinary	100.00%
European Cellars Limited	England	Ordinary	100.00%
George Ballantine & Son Limited	Scotland	Ordinary	100.00%
Glenlivet Spring Water Limited	England	Ordinary	100.00%
Harvey Macnair & Company Limited	Scotland	Ordinary	100.00%
Hiram Walker (UK) Limited	England	Ordinary	100.00%
Hiram Walker-Allied Vintners Limited	England	Ordinary	100.00%
James Burrough Distillers Limited	England	Ordinary	100.00%
James Burrough Limited	England	Ordinary	100.00%
James Hawker & Company Limited	England	A Preference	100.00%
James Hawker & Company Limited	England	B Preference	100.00%
James Hawker & Company Limited	England	Ordinary	99.00%
Long John Distilleries Limited	Scotland	Ordinary	100.00%
Long John International Limited	England	Ordinary	100.00%
Macnab Distilleries Limited	England	Ordinary	100.00%
Tormore Distillery Limited	England	Ordinary	100.00%
Stewart & Son of Dundee Limited	England	Ordinary	100.00%
The Curtis Distillery Company Limited	England	Ordinary	100.00%
The Hiram Walker Group Limited	England	Ordinary	100.00%
Milnorduff Distillery Limited	England	Ordinary	100.00%
The Scapa Distillery Ltd	England	Ordinary	100.00%
Twelve Islands Shipping Company Limited	England	Ordinary	100.00%
Glentauchers Distillery Limited	England	Ordinary	100.00%

ALLIED DOMECQ SPIRITS & WINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

21 Indirect subsidiaries

(Continued)

Glentauchers Distillery Limited	England	Deferred	100.00%
Pernod Ricard UK Limited	England	Ordinary	100.00%
Warehouse Investment Holding Limited	Scotland	Ordinary	100.00%
Lawson & Smith Limited	Scotland	Ordinary	100.00%
The Longmorn Distilleries Ltd	Scotland	Ordinary	100.00%
Chivas Operating Properties LP	Scotland	Ordinary	100.00%
Chivas Atlantic (Holdings) Limited	England	Ordinary	100.00%
Chivas Atlantic (Holdings) Limited	England	Preference	100.00%
Coates & Co. (Plymouth) Limited	England	Ordinary	100.00%
The Original Plymouth Gin Company Limited	England	Ordinary	100.00%