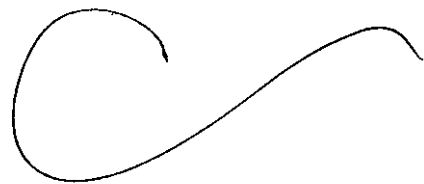


DALGARNO (WINE CELLARS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

52 weeks to 22 August 1998

Registered Number 57673



DALGARNO (WINE CELLARS) LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and financial statements for the 52 weeks ended 22 August 1998.

Results

The Company did not trade on its own account during the period.

Directors and their Interests

The directors during the period were:-

Mr R E Bell
Mr B A Jones
Mr G W G Whitehead
Mr A E Wilkinson

No director has, or has at any time had, any beneficial interest in the share capital or loan capital of the Company. The interests of the directors who held office at the end of the financial year (and their immediate families) in the share and loan capital of Allied Domecq PLC, the Company's ultimate parent company, were as follows:-

	<u>Ordinary Shares of 25p Each</u>	
	<u>At 22 August 1998</u>	<u>At 23 August 1997</u> (or on appointment)
Mr R E Bell	2507	2507
Mr B A Jones	2964	825
Mr G W G Whitehead	6000	6000
Mr A E Wilkinson	3797	3767

Under the terms of Employee Share Schemes, directors have been granted options to subscribe for Ordinary Shares of 25p each in Allied Domecq PLC. The holdings of the directors who held office at the end of the financial year were as follows:-

	<u>At 22 August 1998</u>	<u>At 23 August 1997</u> (or on appointment)
Mr R E Bell	19621	14986
Mr B A Jones	47485	30329
Mr G W G Whitehead	52010	54870
Mr A E Wilkinson	59699	41987

Auditors

The Company, having satisfied Section 250 of the Companies Act 1985 (as amended by Section 14 of the Companies Act 1989), will not re-appoint auditors.

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 the 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 enable them to ensure that the accounts 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.

By Order of the Board



R E Bell
Secretary

Registered Office:

1st Floor
Stuart House
Eskmills
Station Road
Musselburgh
EH21 7PH

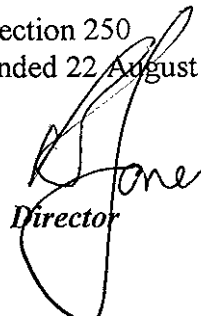
14th June 1999

DALGARNO (WINE CELLARS) LIMITED

BALANCE SHEET AS AT 22 AUGUST 1998

	<u>22 August 1998</u>	<u>23 August 1997</u>
	£	£
FIXED ASSETS		
<u>Investments</u>		
Loan to Fellow Group Undertakings	200,844	200,844
	<u>200,844</u>	<u>200,844</u>
CAPITAL AND RESERVES		
<u>Share Capital - Authorised</u>		
20,200 Ordinary Shares of £1 each	20,200	20,200
	<u>20,200</u>	<u>20,200</u>
<u>Share Capital - Allotted, Called Up and Fully Paid</u>		
20,200 Ordinary Shares of £1 each	20,200	20,200
<u>Reserves</u>		
Profit and Loss Account	180,644	180,644
	<u>200,844</u>	<u>200,844</u>

The Company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the period ended 22 August 1998.


 Director BA Jones

The financial statements were approved by the directors on

14th June 1999

DALGARNO (WINE CELLARS) LIMITED

NOTES ON THE FINANCIAL STATEMENTS 22 AUGUST 1998

1 Parent Undertaking and Ultimate Parent Company

The Company is a wholly-owned subsidiary undertaking of Allied Domecq Retailing (Holdings) Limited whose ultimate parent company is Allied Domecq PLC, both of which are incorporated in Great Britain and registered in England.

2 Profit and Loss Account

The Company has not traded on its own account during the fifty two weeks ended 22 August 1998, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss.

3 Directors' Emoluments

No emoluments have been paid to the Chairman or other Directors during the period.

4. Value Added Tax

Under a Group Registration the Company is jointly and severally liable for Value Added Tax due by other companies within the Group. At 22 August 1998, this contingent liability amounted to £15.9 m (1997 : £18.8 m).

5 Copies of Group Financial Statements

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

6 Basis of Accounting

The financial statements are prepared under the historic cost accounting rules, and in accordance with applicable Accounting Standards.