

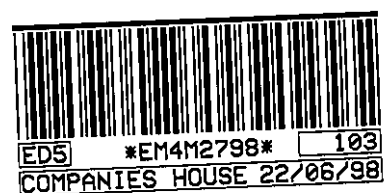
ALLIED DOMEQ RETAILING (CEDAR) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

53 weeks to 23 August 1997

Registered Number 1564833

REB/AFB
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ALLIED DOMECQ RETAILING (CEDAR) LIMITED
(formerly known as Watermill Drinks Company Limited before which formerly known as
Watermill Limited)

REPORT OF THE DIRECTORS

The directors present their annual report and financial statements for the 53 weeks ended 23 August 1997.

The Company changed its name from Watermill Limited to Watermill Drinks Company Limited on 28 May 1996 and from Watermill Drinks Company Limited to Allied Domecq Retailing (Cedar) Limited on 12 November 1996.

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 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 23 August 1997</u>	<u>At 17 August 1996</u>
		(or on appointment)
Mr R E Bell	2507	2507
Mr G W G Whitehead	6000	8861
Mr A E Wilkinson	3767	3610

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 23 August 1997</u>	<u>At 17 August 1996</u>
		(or on appointment)
Mr R E Bell	14986	11480
Mr G W G Whitehead	54870	54870
Mr A E Wilkinson	41987	27264

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:

107 Station Street
BURTON-ON-TRENT
Staffordshire
DE14 1BZ

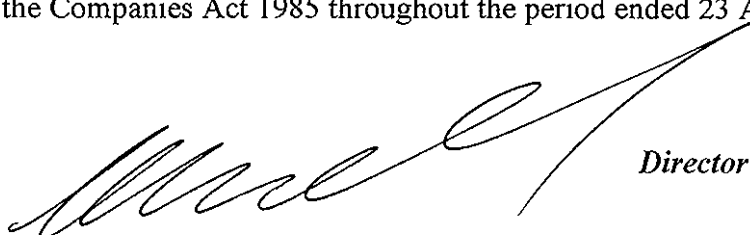
18 June 1998

ALLIED DOMECQ RETAILING (CEDAR) LIMITED

BALANCE SHEET AS AT 23 AUGUST 1997

	<u>23 August 1997</u>		<u>17 August 1996</u>	
	£	£	£	£
FIXED ASSETS				
<u>Investments</u>				
Loan by Fellow Group Undertakings		(171,687)		(171,687)
		<u>(171,687)</u>		<u>(171,687)</u>
CAPITAL AND RESERVES				
<u>Share Capital - Authorised</u>				
1,000 Ordinary Shares of £1 each		1,000		1,000
		<u>1,000</u>		<u>1,000</u>
<u>Share Capital - Allotted, Called Up and Fully Paid</u>				
1,000 Ordinary Shares of £1 each		1,000		1,000
<u>Reserves</u>				
Profit and Loss Account		(172,687)		(172,687)
		<u>(171,687)</u>		<u>(171,687)</u>

The Company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the period ended 23 August 1997.



Director

A WILKINSON

The financial statements were approved by the directors on 18th June 1998.

ALLIED DOMECQ RETAILING (CEDAR) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

23 AUGUST 1997

1 **Parent Undertaking and Ultimate Parent Company**

The Company is a wholly-owned subsidiary undertaking of Allied Domecq Retailing 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 three weeks ended 23 August 1997, 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 23 August 1997, this contingent liability amounted to £18.8 m (1996 : £35.1 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.