

Company Registration No. 531414 (England and Wales)

**EUROPEAN CELLARS (GERMANY) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2006**



# EUROPEAN CELLARS (GERMANY) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S Macnab A Schofield
<b>Secretary</b>	J Egan
<b>Company number</b>	531414
<b>Registered office</b>	Chivas House 72 Chancellors Road Hammersmith London W6 9RS
<b>Auditors</b>	Mazars LLP 90 St Vincent Street Glasgow G2 5UB

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# EUROPEAN CELLARS (GERMANY) LIMITED

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# EUROPEAN CELLARS (GERMANY) LIMITED

## DIRECTORS' REPORT

**FOR THE PERIOD ENDED 30 JUNE 2006**

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The directors present their report and financial statements for the 10 month period ended 30 June 2006

The accounting reference date was changed during the period from 31 August to 30 June to bring it into line with the ultimate parent company

### Principal activities and review of the business

The principal activity of the company is providing finance for other group companies

The directors do not consider there to be any Key Performance Indicators applicable

The directors believe that the results disclosed for the period are in line with their expectations. They have also considered the future developments of the company, and no significant fluctuations are expected, when compared to the actual results disclosed in the Profit and Loss account for the current period

### Results and dividends

The results for the period are set out on page 4

The directors did not declare any dividends for the 10 month period ended 30 June 2006 (Year ended 31 August 2005 nil)

### Directors

The following directors have held office since 1 September 2005

I Fitzsimons	(Appointed 7 September 2005 and resigned 1 September 2006)
P Lyster	(Resigned 7 September 2005)
S Macnab	(Appointed 1 September 2006)
T Mains	(Resigned 1 September 2006)
A Schofield	(Appointed 18 May 2006)

### Directors' interests

None of the directors had any beneficial interest in the share capital of the Company or any other group company in the United Kingdom, either at the beginning or at the end of the period

### Auditors

Mazars LLP were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

# EUROPEAN CELLARS (GERMANY) LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2006

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### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 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, and
- 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 financial statements comply with the Companies Act 1985. 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

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they 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 auditors are aware of that information

On behalf of the board



A Schofield

Director

30 April 2007

# EUROPEAN CELLARS (GERMANY) LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF EUROPEAN CELLARS (GERMANY) LIMITED

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We have audited the financial statements for the period from 1 September 2005 to 30 June 2006 comprising the Profit & Loss Account, Balance Sheet and related notes numbered 1-12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

#### Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

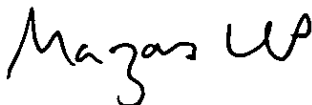
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Mazars LLP  
Chartered Accountants and  
Registered Auditors



30 April 2007  
90 St Vincent Street  
Glasgow  
G2 5UB

# EUROPEAN CELLARS (GERMANY) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2006

	Notes	10 month Period ended 30 June 2006 £'000	Year ended 31 August 2005 £'000
Loss on ordinary activities before taxation	2	(733)	(79,867)
Tax on loss on ordinary activities	3	-	4,667
Loss for the period	8	<u>(733)</u>	<u>(75,200)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

Accordingly, no Statement of Total Recognised Gains and Losses is presented

# EUROPEAN CELLARS (GERMANY) LIMITED

## BALANCE SHEET AS AT 30 JUNE 2006

		30 June 2006		31 August 2005	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	4		-		315,266
<b>Current assets</b>					
Debtors	5	-		1,442	
<b>Creditors amounts falling due within one year</b>	6	<u>(82,081)</u>		<u>(398,056)</u>	
<b>Net current liabilities</b>			<u>(82,081)</u>		<u>(396,614)</u>
<b>Net liabilities</b>			<u>(82,081)</u>		<u>(81,348)</u>
<b>Capital and reserves</b>					
Called up share capital	7		25,318		25,318
Profit and loss account	8		<u>(107,399)</u>		<u>(106,666)</u>
<b>Shareholders' deficit</b>	9		<u>(82,081)</u>		<u>(81,348)</u>

The financial statements were approved by the Board on 30 April 2007 and signed on their behalf by



A Schofield  
Director



# EUROPEAN CELLARS (GERMANY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2006

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards

The financial statements are prepared on a going concern basis as the Company has support from a fellow group company that will enable it to meet liabilities as they fall due

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

#### **1.2 Investments**

Fixed asset investments are stated at cost less provision for impairment

#### **1.3 Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at future dates, at rates expected to apply when they crystallise based on current tax rates and law

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

#### **1.4 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

#### **1.5 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

#### **1.6 Current taxation**

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date

# EUROPEAN CELLARS (GERMANY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2006

2	Operating loss	10 month Period ended 2006 £'000	Year ended 2005 £'000
	Operating loss is stated after charging		
	Loss on foreign exchange transactions	733	79,867

The auditors' remuneration for the period (and prior year) has been borne by a fellow group company

3	Taxation	2006 £'000	2005 £'000
	<b>Domestic current year tax</b>		
	U K corporation tax	-	(4,667)
	<b>Current tax charge</b>	-	(4,667)
	<b>Factors affecting the tax charge for the period</b>		
	Loss on ordinary activities before taxation	(733)	(79,867)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30 00% (2005 - 30 00%)	(220)	(23,960)
	Effects of		
	Adjustments to prior period tax charges	-	(3,639)
	Taxable intra-group dividend income	188	450
	Non-deductible expenses	-	22,482
	Group relief claimed for nil consideration	32	-
		220	19,293
	<b>Current tax charge</b>	-	(4,667)

# EUROPEAN CELLARS (GERMANY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2006

### 4 Fixed asset investments

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 1 September 2005	390,207
Disposals	(390,207)
	<hr/>
At 30 June 2006	-
	<hr/>
<b>Provisions for diminution in value</b>	
At 1 September 2005	74,941
On disposals	(74,941)
	<hr/>
At 30 June 2006	-
	<hr/>
<b>Net book value</b>	
At 30 June 2006	-
	<hr/>
At 31 August 2005	315,266
	<hr/>

The company disposed of its investment in Allied Domecq Spirits & Wines Deutschland (Holdings) GmbH during the period at book value. As at 31 August 2005 the company held 95% of the issued ordinary shares of Allied Domecq Spirits & Wines Deutschland (Holdings) GmbH.

5 Debtors	2006 £'000	2005 £'000
Taxation	-	1,442
	<hr/>	<hr/>
6 Creditors amounts falling due within one year	2006 £'000	2005 £'000
Amounts owed to parent and fellow subsidiary undertakings	82,081	398,056
	<hr/>	<hr/>

# EUROPEAN CELLARS (GERMANY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2006

<b>7</b>	<b>Share capital</b>	<b>2006</b>	<b>2005</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Authorised</b>		
	30,090,000 Ordinary share capital of £1 each	30,090	30,090
		<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>		
	25,317,729 Ordinary share capital of £1 each	25,318	25,318
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
			<b>£'000</b>
	Balance at 1 September 2005		(106,666)
	Loss for the period		(733)
			<u>          </u>
	Balance at 30 June 2006		(107,399)
			<u>          </u>
<b>9</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
		<b>£'000</b>	<b>£'000</b>
	Loss for the financial period	(733)	(75,200)
	Opening shareholders' funds	(81,348)	(6,148)
		<u>          </u>	<u>          </u>
	Closing shareholders' funds	(82,081)	(81,348)
		<u>          </u>	<u>          </u>

### 10 Employees

#### Number of employees

There were no employees during the period apart from the directors

The directors received no remuneration during the 10 month period (Year to 31 August 2005 nil)

### 11 Control

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

## **EUROPEAN CELLARS (GERMANY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE PERIOD ENDED 30 JUNE 2006***

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#### **12 Related party transactions**

The Company is included in the consolidated financial statements of Pernod Ricard S A , which are publicly available. Consequently, the Company has taken advantage of the exemption under the terms of Financial Reporting Standard No 8 from disclosing transactions with entities that are part of the Pernod Ricard S A group.