

Company Registration No. 703977 (England and Wales)

ALLIED DOMECQ SPIRITS & WINE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2006

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ALLIED DOMECQ SPIRITS & WINE LIMITED

COMPANY INFORMATION

Directors

I Fitzsimons
A Schofield
A Jetha
E Babeau

Secretary

J Egan

Company number

703977

Registered office

Chivas House
72 Chancellors Road
Hammersmith
London
W6 9RS

Auditors

Mazars LLP
90 St Vincent Street
Glasgow
G2 5UB

ALLIED DOMEQ SPIRITS & WINE LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 19

ALLIED DOMECQ SPIRITS & WINE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2006

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 the production and sale of Scotch whisky and other spirits and the importation, distribution and wholesaling of other spirits and wine products manufactured or handled by other companies in the Pernod Ricard group. The Company is one of the main subsidiaries of Pernod Ricard S A ("the Group"), the accounts of which are publicly available

The Group's brands include Ballantines Finest, Ballantines Aged Range and Beefeater Gin. Ballantines Finest is a blended standard Scotch whisky with international reach whilst the rest of the Ballantines Family range from Premium (12 year old) to Ultra Premium (30 year old) with differing regional market strengths. Beefeater Gin also has international reach but has a particularly significant presence in the Spanish and American markets.

The priority of the Company continues to be to promote growth of the brands as part of Pernod Ricard's Strategic Portfolio. In the period to 30 June 2006 the priority has been consolidating market share through internal marketing initiatives in key markets and rationalising the distribution network. Subsequent years will see increased spend to support the brands ("Leave an Impression" for Ballantines Finest, "Londonize" for Beefeater and "Korean Golf" for Ballantines Aged Range) and re-engineering of the product itself (Beefeater Re-Packaging and Ballantines 12 Year Old Re-Packaging).

The key performance indicator that the directors generally rely upon is the analysis of turnover, and in particular, the comparison of actual levels against budgeted. However as this was the first period post-acquisition by Pernod Ricard and involved rationalisation of the distribution network which moved the sales profile from 3rd Party Sales to Inter-Company Sales this indicator was less key. Pernod Ricard as a Group tend to focus on Global Profitability of the Brands and for the period to 30 June 2006 both Ballantines Finest and Beefeater Gin performed 8% and 14% ahead of budget respectively for global Contribution. The Ballantines Aged Range performed 8% behind budgeted global Contribution due primarily to higher than anticipated inventory levels in market.

The directors are satisfied with the current trading performance of the Company and remain optimistic for the future. Following the acquisition of the company in the previous year, Pernod Ricard agreed to sell certain of the assets and operations of the Company to Fortune Brands. In the period ended 30 June 2006 the company recorded a gain in relation to this disposal. In addition following the acquisition the Company's distribution business was transferred to another group company in the UK.

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. The full period impact of the disposals and discontinued operations explained above will be reflected in the profit and loss account for the current period.

Results and dividends

The results for the period are set out on page 6

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

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

Directors

The following directors have held office since 1 September 2005

I Fitzsimons	
C Porta	(Resigned 17 January 2006)
A Schofield	
A Jetha	
E Babeau	
R Kapolnek	(Resigned 17 January 2006)
D Gaynor	(Resigned 17 January 2006)
P Mills	(Resigned 17 January 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

Employee involvement

Employee involvement is promoted through consultation with employees on many and various issues affecting their work, working conditions and future prospects. Employees are involved in a wide range of in-house and external training programmes dealing with safety, quality control, work skills, language skills and selfdevelopment. Employees participate in a bonus scheme, which is linked to the performance of the Company.

We recognise and value the knowledge and talent provided by a diverse workforce - men and women of all races, ethnicities, ages, physical and mental abilities, religions and sexual orientations.

Disabled persons

The Company's policy is that disabled persons will receive full and fair consideration when applying for a job within the Company and in the selection for training, career development and promotion. An employee who becomes disabled will be offered continuity of employment whenever the circumstances permit.

Creditor payment policy

It is the Company's general policy to pay trade creditors when they fall due for payment. In the case of a number of suppliers, specific terms and conditions of business are agreed and it is the Company's policy to pay in accordance with these terms provided that the supplier also meets all relevant terms and conditions. The number of days credit taken for purchases at 30 June 2006 was 31 days (31 August 2005: 60 days).

Auditors

Mazars LLP were appointed auditors to the Company in the period 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.

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

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

ALLIED DOMECQ SPIRITS & WINE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALLIED DOMECQ SPIRITS & WINE LIMITED

We have audited the financial statements for the period from 1 September 2005 to 30 June 2006 comprising the Profit and Loss account, Balance Sheet and related notes numbered 1-21. 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 3, 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.

ALLIED DOMECQ SPIRITS & WINE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF ALLIED DOMECQ SPIRITS & WINE LIMITED

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 profit 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

30 April 2007

**Chartered Accountants and
Registered Auditors**

90 St Vincent Street
Glasgow
G2 5UB

Mazars W

ALLIED DOMECQ SPIRITS & WINE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2006

			Period ended 30 June 2006	Year ended 31 August 2005 (as restated)
	Notes	£'m	£'m	£'m
Turnover	2			
Continuing operations		344		540
Discontinued operations		29		222
			373	762
Operating costs	3			
Continuing operations		(304)		(446)
Discontinued operations		(28)		(179)
			(332)	(625)
Operating profit				
Continuing operations			40	94
Discontinued operations			1	43
			41	137
Impairment of investments			(1)	(38)
(Loss)/profit on sale of tangible assets			(18)	4
Profit on sale of operations & investments			369	-
Profit on ordinary activities before interest			391	103
Interest receivable & similar income	4		15	2
Interest payable and similar charges	5		(6)	(4)
Profit on ordinary activities before taxation			400	101
Tax on profit on ordinary activities	6		4	(8)
Profit for the period	16		404	93

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

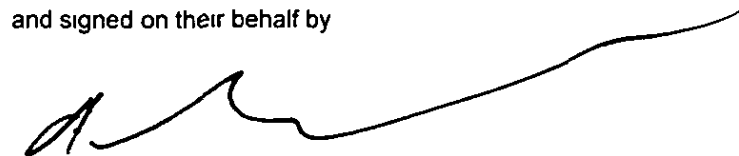
Accordingly, no Statement of Total Recognised Gains and Losses is presented

ALLIED DOMECQ SPIRITS & WINE LIMITED

BALANCE SHEET AS AT 30 JUNE 2006

		30 June 2006		31 August 2005 as restated	
	Notes	£'m	£'m	£'m	£'m
Fixed assets					
Intangible assets	7		14		-
Tangible assets	8		129		161
Investments	9		739		780
			<u>882</u>		<u>941</u>
Current assets					
Stocks	10	254		342	
Debtors	11	930		303	
Cash at bank and in hand		5		4	
		<u>1,189</u>		<u>649</u>	
Creditors amounts falling due within one year	12	(1,008)		(923)	
Net current assets/(liabilities)			<u>181</u>		<u>(274)</u>
Total assets less current liabilities			<u>1,063</u>		<u>667</u>
Provisions for liabilities	13		<u>(8)</u>		<u>(16)</u>
			<u>1,055</u>		<u>651</u>
Capital and reserves					
Called up share capital	15		569		569
Share premium account	16		3		3
Profit and loss account	16		483		79
Shareholders' funds	17		<u>1,055</u>		<u>651</u>

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



A Schofield
Director

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards

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.

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.

The company is exempt under paragraph 3(c) of Financial Reporting Standard 8, from disclosing transactions with entities that are part of the group.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Intellectual property rights

Intellectual property rights, with a defined duration, are amortised and provision is made for any impairment in value.

The amortisation policy is to write off the cost of each Intellectual property right over its expected useful life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation.

No depreciation is provided on freehold land.

On all other assets, depreciation is provided at rates calculated to write off the cost less estimated residual value over its expected useful life, as follows:

Land and buildings	the shorter of 50 years or the length of the lease
Plant and machinery	5% - 15% straight line

1.5 Leasing

Operating lease rentals are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for impairment.

1.7 Stock

Stocks are stated at the lower of cost and net realisable value. Cost comprises all expenditure incurred in purchasing or producing the stock and bringing it to its current state, including an appropriate allocation of production overheads and maturation costs.

ALLIED DOMEQ SPIRITS & WINE LIMITED

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

1 Accounting policies

(continued)

1.8 Pensions

As explained fully in note 14, the Company has taken advantage of the "multi-employer" exemption, as permitted by FRS 17 "Retirement Benefits"

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all 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 the 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 they will be recovered. Deferred tax assets and liabilities are not discounted

1.10 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

1.11 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

1.12 Reciprocal transactions

The directors do not consider it appropriate to recognise profits on reciprocal transactions, being the trading of maturing spirit for maturing spirit with other scotch whisky producers, until the acquired spirit is used in the production of the company's brands

This is a change in policy compared to previous years when profits were recognised at the date of the reciprocal transaction

The change in accounting policy has not had an impact on the current period or prior year profit, however the opening Profit and Loss Account Reserves and the carrying value of Maturing Inventory at 1 September 2005 have been reduced by £28m

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

2 Turnover

Geographical market

	Turnover - continuing operations	
	10 month Period to 30 June 2006 £'m	Year to 31 August 2005 (as restated) £'m
United Kingdom	62	178
Rest of Europe	152	198
North America	29	31
Rest of World	101	133
	<u>344</u>	<u>540</u>

The turnover disclosed in the Profit & Loss account, in respect of the discontinued operations, relates to the United Kingdom market

3 Operating profit

	10 month Period to 30 June 2006 £'m	Year to 31 August 2005 (as restated) £'m
Operating profit is stated after charging operating expenses, as detailed below		
Raw materials and consumables	178	261
Customs and excise duties	-	107
Staff costs	53	71
Depreciation	9	17
Other operating charges	91	159
Operating leases		
Hire of equipment	1	5
Property rents	-	5
	<u>332</u>	<u>625</u>

Included within raw materials and consumables are £28m of costs which relate to discontinued operations (Year to 31 August 2005 £179m) All other items relate to continuing operations

The auditor's fee has been borne by another group company

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

4	Interest receivable and similar income	10 month	
		Period to	Year to
		30 June	31 August
		2006	2005
		£'m	£'m
	Interest receivable from group companies	15	2
		<u>15</u>	<u>2</u>
5	Interest payable	10 month	
		Period to	Year to
		30 June	31 August
		2006	2005
		£'m	£'m
	On amounts payable to group companies	6	4
		<u>6</u>	<u>4</u>

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

6 Taxation	10 month Period to 30 June 2006 £'m	Year to 31 August 2005 £'m
Domestic current period tax		
Adjustment for prior years	-	5
Current tax charge	-	5
Deferred tax		
Origination and reversal of timing differences	-	4
Deferred tax adjustments arising in previous periods	(4)	(1)
Deferred tax (credit)/charge	(4)	3
Total tax (credit)/charge	(4)	8
Factors affecting the tax credit for the period		
Profit on ordinary activities before taxation	400	101
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	120	30
Effects of		
Group relief received for nil consideration	(9)	(32)
Statutory relief for Employee Share Acquisitions	-	(7)
Adjustments to prior period tax charges	-	5
Non deductible expenditure	1	14
Timing differences	(1)	(4)
Non taxable income and gains	(111)	(1)
	(120)	(25)
Current tax (credit)/charge	-	5

No tax charge arose on the profit on sale of operations and investments in the period

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

7 Intangible fixed assets

	Intellectual property rights £'m
Cost	
At 1 September 2005	-
Additions	14
	<hr/>
At 30 June 2006	14
	<hr/>
Amortisation	
At 1 September 2005	-
Charge for the period	-
	<hr/>
At 30 June 2006	-
	<hr/>
Net book value	
At 30 June 2006	14
	<hr/>
At 31 August 2005	-
	<hr/>

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

8 Tangible fixed assets

	Land and buildings £'m	Plant and machinery £'m	Total £'m
Cost			
At 1 September 2005	94	209	303
Additions	3	6	9
Disposals	(10)	(69)	(79)
At 30 June 2006	87	146	233
Depreciation			
At 1 September 2005	33	109	142
On disposals	(5)	(42)	(47)
Charge for the period	2	7	9
At 30 June 2006	30	74	104
Net book value			
At 30 June 2006	57	72	129
At 31 August 2005	61	100	161

The cost within land and buildings which is not depreciated amounts to £5,162,000 (31 August 2005 £5,255,000)

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

9 Fixed asset investments

	Shares in subsidiary undertakings
	£'m
Cost	
At 1 September 2005	818
Additions	6
Disposals	(46)
At 30 June 2006	778
Provisions for impairment	
At 1 September 2005	38
Charge for the period	1
At 30 June 2006	39
Net book value	
At 30 June 2006	739
At 31 August 2005	780

Shares in subsidiary undertakings

The company holds a large number of the Pernod Ricard S A group's UK subsidiaries. The subsidiaries of the company do not trade on their own right and only act as agents of the company. The principal subsidiaries at 30 June 2006 were

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Alfred Lamb International Limited	England	Ordinary £1	100.00
Alfred Lamb International Limited	England	Deferred £0.01	100.00
Alfred Lamb International Limited	England	B £0.01	100.00
Allied Distillers Limited	Scotland	Ordinary £0.50	100.00
Allied Distillers Limited	Scotland	Preference £1	100.00
George Ballantine & Sons Limited	Scotland	Ordinary £1	100.00
James Burrough Limited	England	Ordinary £0.25	100.00
James Burrough Limited	England	Preference £1	100.00
Rangeam No. 2 Limited	England	Ordinary £1	100.00

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

10 Stocks	2006 £'m	2005 (as restated) £'m
Raw materials and consumables	4	4
Maturing inventory	240	309
Finished products	8	24
Bottles, cases and pallets	2	5
	<u>254</u>	<u>342</u>

Maturing inventory has been reduced by £28m in the prior year (previously £337m) following the change of accounting policy detailed in note 1 12

11 Debtors	2006 £'m	2005 £'m
Trade debtors	11	68
Amounts owed by parent and fellow subsidiary undertakings	896	228
Other debtors	22	6
Prepayments and accrued income	1	1
	<u>930</u>	<u>303</u>

12 Creditors: amounts falling due within one year	2006 £'m	2005 £'m
Trade creditors	18	23
Amounts owed to parent and fellow subsidiary undertakings	937	804
Other creditors	43	79
Accruals and deferred income	10	17
	<u>1,008</u>	<u>923</u>

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

13 Provisions for liabilities and charges

	Deferred tax liability £'m	Surplus Properties £'m	Total £'m
Balance at 1 September 2005	12	4	16
Profit and loss account	(4)	-	(4)
Transferred to another group undertaking	-	(4)	(4)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2006	8	-	8
	<hr/>	<hr/>	<hr/>

	2006 £'m	2005 £'m
The deferred tax liability is made up as follows		
Accelerated capital allowances	9	15
Other timing differences	(1)	(3)
	<hr/>	<hr/>
	8	12
	<hr/>	<hr/>

The Deferred Tax balance detailed above comprises of a liability of £9m and an asset of £1m (31 August 2005 liability £15m, asset £3m)

The Surplus Properties provision has been transferred to another group company. This provision is in respect of surplus properties for which there is a lease commitment.

14 Pension costs

The Company is a member of the Allied Domecq Limited group pension scheme, and because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 "Retirement Benefits", the scheme will be accounted for in these financial statements as if the scheme was a defined contribution scheme.

The latest full actuarial valuation was carried out as at 6 April 2003 and was updated to 31 August 2003 by a qualified independent actuary. The contribution for the period, by the company, was £3 million (2005 £7million).

The Allied Domecq Ltd group pension scheme shows an FRS 17 deficit of £181m (2005 £356m) net of deferred tax, full details of which are included with the accounts of Pernod Ricard S A for the year ended 30 June 2006.

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

15 Share capital	2006 £'m	2005 £'m
Authorised		
Ordinary shares of 25pence each	571	571
Allotted, called up and fully paid		
Ordinary shares of 25pence each	569	569

16 Statement of movements on reserves	Share premium account £'m	Profit and loss account (as restated) £'m
Balance at 1 September 2005	3	79
Profit for the period	-	404
Balance at 30 June 2006	3	483

Opening profit and loss account reserves were originally £107m before deducting prior year adjustments of £28m

17 Reconciliation of movements in shareholders' funds	2006 £'m	2005 (as restated) £'m
Profit for the financial period	404	93
Opening shareholders' funds	651	558
Closing shareholders' funds	1,055	651

Opening shareholders' funds were originally £679m before deducting prior year adjustments of £28m

18 Financial commitments

At 30 June 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2007

	Land and buildings 2006 £'m	2005 £'m
Operating leases which expire in over five years	-	1

ALLIED DOMECQ SPIRITS & WINE LIMITED

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

19 Directors' emoluments	2006 £'m	2005 £'m
Emoluments for qualifying services	-	2

The expense detailed above for the year ended 31 August 2005 is in respect of 3 former directors of the company, being D Houghton, K Manley and T Nolan

None of the current directors were remunerated in the period ended 30 June 2006 by the company, and none of their remuneration paid by other group companies is specifically allocated to services provided to this company and its subsidiary undertakings

20 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2006 Number	2005 Number
Production	768	1,012
Marketing & selling	13	139
Distribution	176	204
Administration	24	125
	<u>981</u>	<u>1,480</u>

Employment costs

	2006 £'m	2005 £'m
Wages and salaries	46	58
Social security costs	4	6
Other pension costs	3	7
	<u>53</u>	<u>71</u>

21 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