

Company Registration No 703977 (England and Wales)

ALLIED DOMEQ SPIRITS & WINE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007



ALLIED DOMEQQ 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

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ALLIED DOMECQ SPIRITS & WINE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2007

The Directors present their report and financial statements for the year ending 30 June 2007

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 accounts of which are publicly available.

The Company'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 year to 30 June 2007 the Company has continued to support its brands through the following initiatives "Leave an Impression" for Ballantines Finest, "Londonize" for Beefeater and "Korean Golf" for Ballantines Aged Range.

The key performance indicator that the directors generally rely upon is the analysis of 9 litre cases sold to distributors in the year, and in particular, the comparison of actual levels against budgeted levels. The Company's volumes for the year ended 30 June 2007 were 8% ahead of budgeted levels for the same period for Ballantine's Finest, 2% ahead of budgeted levels for Beefeater and 24% ahead for the combined total of the Company's other products.

Turnover from continuing operations has reduced slightly compared to the prior period as a result of the transfer of UK Wines distribution activities to Pernod Ricard (UK) Limited, a fellow group company. This transfer had a favourable impact on the Company's operating costs in the year.

Operating costs also reduced as a result of headcount rationalisation in the manufacturing plants achieved through greater operational efficiencies, and the discontinuance of certain centralised operational functions no longer required in the Pernod Ricard decentralised management structure.

The directors also monitor the awards that the Company's products are ascribed during the year as a non-financial key performance indicator. There are two main international competitions being, the International Spirits Challenge ("ISC") and the International Wine & Spirit Competition ("IWSC"). At the ISC the Company's products were awarded a series of awards including Category Champion for Blended Scotch Whisky Gold for its Ballantine's 30YO. As well as ISC Category Champion, Ballantine's 30YO was also awarded an ISC gold medal and trophy. The Company's other products were also awarded a further two ISC silver and two ISC bronze medals. At the IWSC the Company was awarded an IWSC Gold Best in Class medal for its Scapa 14YO. The Company's products were also awarded a further seven IWSC Silver medals, including two for Beefeater products, and one IWSC Bronze medal. The directors are very satisfied with the recognition, within the industry, which has been attributed to the Company and its products.

The directors believe that the results disclosed for the year 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 year.

Management of business risks

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

ALLIED DOMECQ SPIRITS & WINE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

Results and dividends

The results for the year are set out on page 5

The Directors declared and paid interim dividends of £401,421,000 during the year ended 30 June 2007 (10 month period ended 30 June 2006 £nil)

Directors

The following directors have held office since 1 July 2006

I Fitzsimons
A Schofield
A Jetha
E Babeau

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 self development. 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 2007 was 37 days (30 June 2006 31 days).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Mazars LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

ALLIED DOMECQ SPIRITS & WINE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

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

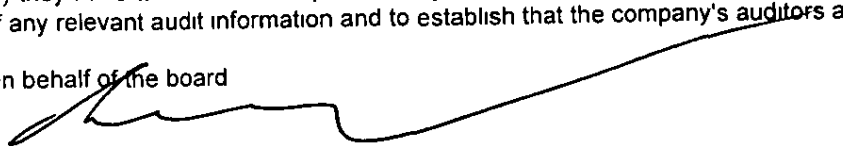
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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
21 March 2008

ALLIED DOMEQ SPIRITS & WINE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIED DOMEQ SPIRITS & WINE LIMITED

We have audited the financial statements for the year ended 30 June 2007 comprising the Profit and Loss account, Balance Sheet and related notes. 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.

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 2007 and of its profit for the year 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
Mazars LLP
Chartered Accountants and
Registered Auditors

21 March 2008
90 St Vincent Street
Glasgow
G2 5UB

ALLIED DOMECQ SPIRITS & WINE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2007

			Year ended 30 June 2007	10 month Period ended 30 June 2006
	Notes	£'m	£'m	£'m
Turnover	2			
Continuing operations		322		344
Discontinued operations		-		29
			322	373
Operating costs	3			
Continuing operations		(161)		(304)
Discontinued operations		-		(28)
			(161)	(332)
Operating profit				
Continuing operations			161	40
Discontinued operations			-	1
			161	41
Impairment of investments			(17)	(1)
Profit/(loss) on sale of tangible assets			1	(18)
Profit on sale of operations & investments			11	369
Profit on ordinary activities before interest			156	391
Interest receivable & similar income	4		13	15
Interest payable and similar charges	5		(10)	(6)
Profit on ordinary activities before taxation			159	400
Tax on profit on ordinary activities	6		3	4
Profit for the year	17		162	404

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

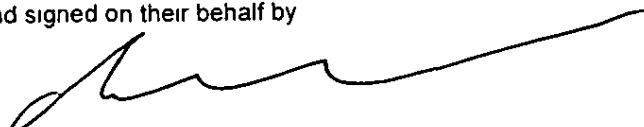
Accordingly, no Statement of Total Recognised Gains and Losses is presented

ALLIED DOMECQ SPIRITS & WINE LIMITED

BALANCE SHEET AS AT 30 JUNE 2007

		30 June 2007	30 June 2006 as restated
	Notes	£'m	£'m
Fixed assets			
Intangible assets	8	441	443
Tangible assets	9	133	129
Investments	10	300	310
		<u>874</u>	<u>882</u>
Current assets			
Stocks	11	201	254
Debtors	12	568	930
Cash at bank and in hand		8	5
		<u>777</u>	<u>1,189</u>
Creditors amounts falling due within one year	13	<u>(830)</u>	<u>(1,008)</u>
Net current (liabilities)/assets		<u>(53)</u>	<u>181</u>
Total assets less current liabilities		<u>821</u>	<u>1,063</u>
Provisions for liabilities and charges	14	<u>(5)</u>	<u>(8)</u>
		<u>816</u>	<u>1,055</u>
Capital and reserves			
Called up share capital	16	569	569
Share premium account	17	3	3
Profit and loss account	17	244	483
Shareholders' funds	18	<u>816</u>	<u>1,055</u>

The financial statements were approved by the Board on 21 March 2008
and signed on their behalf by



A Schofield
Director

ALLIED DOMEQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

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, including excise duty but excluding value added tax.

1.3 Intangible assets

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, with a defined duration, over its expected useful life, which is currently 5 years.

Brands which are regarded as having an indefinite useful life are not amortised. In the opinion of the directors it is not possible to identify a finite economic life for brands.

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:

Buildings	the shorter of 50 years or the length of the lease
Plant and machinery	between 5 and 20 years
Fixtures, fittings & equipment	between 10 and 20 years
Construction in progress	not depreciated until construction has been completed and the asset has been transferred to another fixed asset category

1.5 Leasing

Rentals payable under operating leases 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.

ALLIED DOMEQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

1 Accounting policies

(continued)

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 where applicable.

1.8 Pensions

The company participates in the Allied Domecq Limited group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the P&L account represents the contribution payable to the scheme in respect of the accounting period.

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

Transactions denominated in a foreign currency are translated into sterling at the exchange rate at the date of the transactions and exchange differences arising on settlement are dealt with in the profit and loss account. Amounts receivable or payable in a foreign currency have been translated into sterling at the exchange rate ruling at the balance sheet date and differences on exchange are included in the 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.

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

2 Turnover

Geographical market

	Turnover - continuing operations	
	10 month	
	Year to	Period to
	30 June	30 June
	2007	2006
	£'m	£'m
United Kingdom	16	62
Rest of Europe	180	152
North America	32	29
Rest of World	94	101
	<u>322</u>	<u>344</u>

The turnover disclosed in the Profit & Loss account, in respect of the discontinued operations for the prior period, relate to the United Kingdom market

3 Operating costs

	10 month	
	Year to	Period to
	30 June	30 June
	2007	2006
	£'m	£'m
Operating profit is stated after charging the following operating costs		
Cost of goods sold	115	178
Staff costs	32	53
Depreciation	9	9
Other operating charges	6	91
Operating leases - hire of equipment	-	1
Auditors' remuneration - audit services	1	-
	<u>163</u>	<u>332</u>

Included within raw materials and consumables for the 10 month period to 30 June 2006 are £28m of costs which related to discontinued operations. All other items relate to continuing operations

The auditor's remuneration in the prior period was borne by another group company

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

4	Interest receivable and similar income	Year to	10 month
		30 June	Period to
		2007	30 June
		£'m	2006
			£'m
	Interest receivable from group companies	13	15
		<u>13</u>	<u>15</u>
5	Interest payable and similar charges	Year to	10 month
		30 June	Period to
		2007	30 June
		£'m	2006
			£'m
	On amounts payable to group companies	10	6
		<u>10</u>	<u>6</u>

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

6 Taxation	Year to 30 June 2007 £'m	10 month Period to 30 June 2006 £'m
Current tax		
U K corporation tax	-	-
Current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	(3)	-
Deferred tax adjustments arising in previous periods	-	(4)
Deferred tax credit	(3)	(4)
Total tax credit	(3)	(4)
Factors affecting the current tax charge for the year		
Profit on ordinary activities before taxation	159	400
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	48	120
Effects of		
Group relief received for nil consideration	(45)	(9)
Non deductible expenditure	5	1
Timing differences	(5)	(1)
Non taxable income and gains	(3)	(111)
	(48)	(120)
Current tax charge	-	-

The current year tax charge has been reduced by £45m (2006 £9m) in respect of group relief claimed from fellow group companies for nil consideration

No tax charge arose on the profit on sale of operations and investments in the period (2006 nil)

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

7 Dividends

	Year to 30 June 2007 £'m	10 month Period to 30 June 2006 £'m
Ordinary interim dividends paid in the year	401	-

8 Intangible fixed assets

	Brands £'m	Intellectual property rights £'m	Total £'m
Cost			
As at 1 July 2006 as originally stated	-	14	14
Prior period adjustment	429	-	429
At 1 July 2006 as restated and 30 June 2007	429	14	443
Amortisation			
At 1 July 2006	-	-	-
Charge for the year	-	2	2
At 30 June 2007	-	2	2
Net book value			
At 30 June 2007	429	12	441
At 30 June 2006	429	14	443

The prior period adjustment relates to a reclassification of the purchase consideration for certain subsidiaries whose businesses were hived up to Allied Domecq Spirits & Wine Limited in prior years. The prior period adjustment has no impact on the net assets of the company or on its profit and loss for either the current year or prior period.

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

9 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Construction in progress	Total
	£'m	£'m	£'m	£'m	£'m
Cost					
At 1 July 2006	87	103	36	7	233
Transferred from a fellow group company	-	3	-	-	3
Additions	-	-	-	12	12
Reclassification	4	7	1	(12)	-
Disposals	(1)	(1)	(1)	-	(3)
At 30 June 2007	90	112	36	7	245
Depreciation					
At 1 July 2006	30	58	16	-	104
Transferred from a fellow group company	-	1	-	-	1
On disposals	-	(1)	(1)	-	(2)
Charge for the year	1	8	-	-	9
At 30 June 2007	31	66	15	-	112
Net book value					
At 30 June 2007	59	46	21	7	133
At 30 June 2006	57	45	20	7	129

The cost within land and buildings which is not depreciated amounts to £5,162,000 (30 June 2006 £5,162,000)

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

10 Fixed asset investments

	Shares in subsidiary undertakings (restated) £'m
Cost	
At 1 July 2006 as originally stated	739
Prior period adjustment	(429)
	<hr/>
At 1 July 2006 as restated	310
Additions	7
	<hr/>
At 30 June 2007	317
	<hr/>
Provisions for impairment	
At 1 July 2006	-
Charge for the year	17
	<hr/>
At 30 June 2007	17
	<hr/>
Net book value	
At 30 June 2007	300
	<hr/>
At 30 June 2006	310
	<hr/>

An explanation of the prior period adjustment is given in note 8

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 in their own right and only act as agents of the company. The principal subsidiaries at 30 June 2007 were

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
AD Former Rum Brands Limited	England	Ordinary £1	100.00
AD Former Rum Brands Limited	England	Deferred £0.01	100.00
AD Former Rum Brands 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
Rangeaim No. 2 Limited	England	Ordinary £1	100.00

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

10 Fixed asset investments

(continued)

The additions in the year relate to a wider group reorganisation which transferred an investment in Ind Coope (Ireland) Limited, a fellow group undertaking registered in Ireland, for a consideration of £6,959,811

11 Stocks

	2007 £'m	2006 £'m
Raw materials and consumables	-	4
Maturing inventory	200	240
Finished products	1	8
Bottles, cases and pallets	-	2
	<u>201</u>	<u>254</u>

12 Debtors

	2007 £'m	2006 £'m
Trade debtors	-	11
Amounts owed by parent and fellow subsidiary undertakings	566	896
Other debtors	-	22
Prepayments and accrued income	2	1
	<u>568</u>	<u>930</u>

13 Creditors amounts falling due within one year

	2007 £'m	2006 £'m
Trade creditors	1	18
Amounts owed to parent and fellow subsidiary undertakings	812	937
Other creditors	16	43
Accruals and deferred income	1	10
	<u>830</u>	<u>1,008</u>

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

14 Provisions for liabilities and charges

	Deferred tax liability £'m
Balance at 1 July 2006	8
Profit and loss account	(3)
	<u>5</u>
Balance at 30 June 2007	<u>5</u>

	2007 £'m	2006 £'m
The deferred tax liability is made up as follows		
Accelerated capital allowances	5	9
Other timing differences	-	(1)
	<u>5</u>	<u>8</u>

The Deferred Tax balance detailed above comprises of a liability of £5m and an asset of £nil (30 June 2006 liability £9m, asset £1m)

15 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 2006 by a qualified independent actuary. The contribution for the period, by the company, was £2 million (2006 £3 million)

The Allied Domecq Ltd group pension scheme shows an FRS 17 deficit of £4m (2006 £181m) net of deferred tax

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

16 Share capital	2007 £'m	2006 £'m
Authorised		
Ordinary shares of 25pence each	<u>571</u>	<u>571</u>
 Allotted, called up and fully paid		
Ordinary shares of 25pence each	<u>569</u>	<u>569</u>

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

17 Statement of movements on reserves

	Share premium account £'m	Profit and loss account £'m
Balance at 1 July 2006	3	483
Profit for the year	-	162
Dividends paid	-	(401)
	<hr/>	<hr/>
Balance at 30 June 2007	3	244
	<hr/>	<hr/>

18 Reconciliation of movements in shareholders' funds

	2007 £'m	2006 £'m
Profit for the financial year/period	162	404
Dividends	(401)	-
	<hr/>	<hr/>
Net (depletion in)/addition to shareholders' funds	(239)	404
Opening shareholders' funds	1,055	651
	<hr/>	<hr/>
Closing shareholders' funds	816	1,055
	<hr/>	<hr/>

19 Directors' emoluments

None of the directors who served in the year were remunerated by the company and none of the remuneration paid by other group companies is specifically allocated to services provided to this company and its subsidiary undertakings

ALLIED DOMECQ SPIRITS & WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

20 Employees

Number of employees

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

	2007 Number	2006 Number
Production	579	768
Marketing & selling	1	13
Distribution	97	176
Administration	3	24
	<u>680</u>	<u>981</u>

Employment costs

	2007 £'m	2006 £'m
Wages and salaries	27	46
Social security costs	3	4
Other pension costs	2	3
	<u>32</u>	<u>53</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