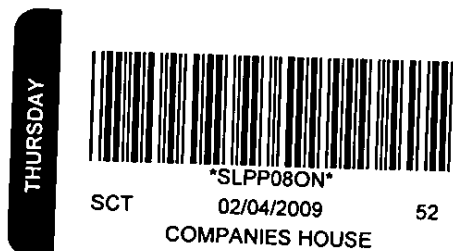


Company Registration No. 703977 (England and Wales)

**ALLIED DOMECQ SPIRITS & WINE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**



# ALLIED DOMEQ SPIRITS & WINE LIMITED

## COMPANY INFORMATION

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**Directors**

I Fitzsimons  
A Jetha  
H Fetter  
E Babeau  
S Macnab

**Joint Secretaries**

J Egan  
S Macnab

**Company number**

703977

**Registered office**

Chivas House  
72 Chancellors Road  
Hammersmith  
London  
W6 9RS

**Auditors**

Mazars LLP  
90 St. Vincent Street  
Glasgow  
G2 5UB

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# **ALLIED DOMEQ SPIRITS & WINE LIMITED**

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# **ALLIED DOMECQ SPIRITS & WINE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008**

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The Directors present their report and financial statements for the year ending 30 June 2008.

### **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 wholesale 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.

On the 8th February 2008, the immediate ownership of the Company changed from Chivas Atlantic Holdings Limited to Chivas Brothers Limited, both are fellow subsidiaries of Pernod Ricard.

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 2008 the Company has continued to support its brands through the following initiatives "Leave an Impression" for Ballantines Finest, "London 24" 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 2008 were 5.9% ahead of budgeted levels for the same period for Ballantine's Finest, 0.3% ahead of budgeted levels for Beefeater and 1.5% less for the combined total of the Company's other products.

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 the Gold award for Ballantines 30YO. The Company's other products were also awarded a further three ISC silver and one ISC bronze medals. Beefeater London Dry Gin 47% was awarded a gold medal in the White Spirits category. The Beefeater brand also received one bronze award. At the IWSC the Company was awarded an IWSC Silver Best in Class medal for its Ballantine's 17YO. The Company's products were also awarded a further three IWSC Silver medals. Further to this the Company picked up the Greenall's Trophy for Gin. 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.

### **Results and dividends**

The results for the year are set out on page 4.

The Directors proposed and paid an interim dividend of £260,000,000 for the year ended 30 June 2008 (30 June 2007: Directors declared and paid interim dividends of £401,421,000).

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

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### Directors

The following directors have held office since 1 July 2007:

I Fitzsimons	
A Schofield	(Resigned 30 September 2008)
A Jetha	
H Fetter	(Appointed 1 October 2008)
E Babeau	
S Macnab	(Appointed 1 October 2008)

### 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 2008 was 30 days (30 June 2007: 37 days).

### Auditors

Mazars LLP continue in office in accordance with section 485 Companies Act 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



S Macnab  
Director  
30 March 2009

# ALLIED DOMECQ SPIRITS & WINE LIMITED

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

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We have audited the financial statements for the year ended 30 June 2008 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 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 2008 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**  
**Chartered Accountants and**  
**Registered Auditors**

30 March 2009  
90 St. Vincent Street  
Glasgow  
G2 5UB



# ALLIED DOMECQ SPIRITS & WINE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 £'m	2007 £'m
Turnover	2	332	322
Operating costs	3	(178)	(161)
<b>Operating profit</b>	<b>3</b>	<b>154</b>	<b>161</b>
Impairment of fixed asset investments		-	(17)
Impairment of intangible assets		(12)	-
Profit on sale of tangible assets		-	1
Profit on sale of operations & investments		-	11
<b>Profit on ordinary activities before interest</b>		<b>142</b>	<b>156</b>
Interest receivable & similar income	4	16	13
Interest payable and similar charges	5	(11)	(10)
<b>Profit on ordinary activities before taxation</b>		<b>147</b>	<b>159</b>
Tax on profit on ordinary activities	6	10	3
<b>Profit for the year</b>	<b>17</b>	<b>157</b>	<b>162</b>

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.

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 £'m	2007 £'m
<b>Fixed assets</b>			
Intangible assets	8	429	441
Tangible assets	9	136	133
Investments	10	228	300
		<u>793</u>	<u>874</u>
<b>Current assets</b>			
Stocks	11	175	201
Debtors	12	498	568
Cash at bank and in hand		1	8
		<u>674</u>	<u>777</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(494)</u>	<u>(830)</u>
<b>Net current assets/(liabilities)</b>		<u>180</u>	<u>(53)</u>
<b>Total assets less current assets/(liabilities)</b>		<u>973</u>	<u>821</u>
<b>Provisions for liabilities and charges</b>	14	<u>-</u>	<u>(5)</u>
		<u>973</u>	<u>816</u>
<b>Capital and reserves</b>			
Called up share capital	16	829	569
Share premium account	17	3	3
Profit and loss account	17	141	244
<b>Shareholders' funds</b>	18	<u>973</u>	<u>816</u>

The financial statements were approved by the Board on 30 March 2009  
and signed on their behalf by

H Fetter  
Director





# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with 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 Investments

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

#### 1.6 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.

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 1 Accounting policies

(continued)

#### 1.7 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.

#### 1.8 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.

#### 1.9 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.

#### 1.10 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.

### 2 Turnover

#### Geographical market

	Turnover	
	2008 £'m	2007 £'m
United Kingdom	16	16
Rest of Europe	193	180
North America	27	32
Rest of World	96	94
	<u>332</u>	<u>322</u>

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 3 Operating costs

	2008 £'m	2007 £'m
Operating profit is stated after charging the following operating costs:		
Cost of goods sold	147	115
Staff costs	-	32
Depreciation	10	9
Other operating charges	21	5
	<u>178</u>	<u>161</u>

Included in Other operating charges is auditors' remuneration. Auditors' remuneration for the year ended 30 June 2008 is £488,000 (30 June 2007: £800,000). This is made up of amounts for the audit of the company's accounts and audit of the accounts of fellow group companies for £459,000 (2007: £800,000) and other services relating to taxation of £29,000 (2007: £nil).

### 4 Interest receivable and similar income

	2008 £'m	2007 £'m
Interest receivable from group companies	<u>16</u>	<u>13</u>

### 5 Interest payable and similar charges

	2008 £'m	2007 £'m
On amounts payable to group companies	<u>11</u>	<u>10</u>

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

6	Taxation	2008 £'m	2007 £'m
	<b>Current tax</b>		
	U.K. corporation tax	-	-
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	3	(3)
	Prior year adjustments	(13)	-
	<b>Total tax credit</b>	<u>(10)</u>	<u>(3)</u>
	<b>Factors affecting the current tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>147</u>	<u>159</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 29.50% (2007 - 30.00%)	<u>43</u>	<u>48</u>
	Effects of:		
	Group relief received for nil consideration	(43)	(45)
	Permanent differences	4	5
	Other timing differences	-	(5)
	Non taxable income and gains	-	(3)
	Accelerated capital allowances	(4)	-
		<u>(43)</u>	<u>(48)</u>
	<b>Current tax charge</b>	<u>-</u>	<u>-</u>

The current year tax charge has been reduced by £43m (2007: £45m) 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 previous period.

### Factors that may affect future tax charges

The company has realised capital losses carried forward as at 30 June 2008 of £158m (2007: £158m). No deferred tax asset has been recognised in respect of these losses as at 30 June 2008 (or 30 June 2007), as it is uncertain whether there will be suitable profits emerging in future periods against which to relieve them. Relief for these losses will only be obtained if there are suitable profits arising in future periods. The potential deferred tax asset unrecognised as at 30 June 2008 is £44m (2007: £47m).

7	Dividends	2008 £'m	2007 £'m
	Ordinary interim dividends paid in the year	<u>260</u>	<u>401</u>

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 8 Intangible fixed assets

	Brands £'m	Intellectual property rights £'m	Total £'m
<b>Cost</b>			
At 1 July 2007 and 30 June 2008	429	12	441
<b>Provision for amortisation and impairment</b>			
At 1 July 2007	-	-	-
Impairment	-	(12)	(12)
At 30 June 2008	-	(12)	(12)
<b>Net book value</b>			
At 30 June 2008	429	-	429
At 30 June 2007	429	12	441

The £12m impairment to the intellectual property rights relates to the termination of distribution rights for Stolichnaya vodka.

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 9 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Construction in progress	Total
	£'m	£'m	£'m	£'m	£'m
<b>Cost</b>					
At 1 July 2007	90	112	36	7	245
Additions	-	-	-	13	13
Reclassification	4	11	-	(15)	-
Disposals	-	(1)	-	-	(1)
At 30 June 2008	94	122	36	5	257
<b>Depreciation</b>					
At 1 July 2007	31	66	15	-	112
On disposals	-	(1)	-	-	(1)
Charge for the year	2	8	-	-	10
At 30 June 2008	33	73	15	-	121
<b>Net book value</b>					
At 30 June 2008	61	49	21	5	136
At 30 June 2007	59	46	21	7	133

The cost within land and buildings which is not depreciated amounts to £5,162,000 (30 June 2007: £5,162,000).

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 10 Fixed asset investments

	Shares in subsidiary undertakings £'m
<b>Cost</b>	
At 1 July 2007	317
Additions	8
Disposal in respect of liquidated subsidiaries	(80)
At 30 June 2008	245
<b>Provisions for impairment</b>	
At 1 July 2007 and 30 June 2008	17
<b>Net book value</b>	
At 30 June 2008	228
At 30 June 2007	300

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Allied Domecq Former Rum Brands Limited	England	Ordinary £1	100.00
Allied Domecq Former Rum Brands Limited	England	Deferred £0.01	100.00
Allied Domecq 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
European Cellars (Germany) Limited	England	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 Breweries Development Limited	England	Ordinary £1	99.40
CG Hibbert Limited	England	Ordinary £1	100.00
European Cellars Limited	England	Ordinary £1	100.00
James Burrough Distillers Limited	England	Ordinary £0.5	100.00
Allied Domecq Spirits and Wines Overseas Limited	England	Ordinary £1	100.00
Hiram Walker and Sons (Scotland) Limited	Scotland	Ordinary £1	100.00
Hiram Walker (1992) Limited	England	Ordinary £0.25	100.00
Hiram Walker (UK) Limited	England	Ordinary £0.25	100.00
J.R. Phillips & Co Limited	England	Ordinary £1	100.00
Allied Investments Limited	Bermuda	Ordinary \$1	100.00
Overseas Trading Company (1939) Limited	Jersey	Ordinary £1	100.00
Macnab Distilleries Limited	England	Ordinary £1	100.00
Macnab Distilleries Limited	England	Deferred £1	100.00

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 10 Fixed asset investments

(continued)

The additions in the year relate to a wider group reorganisation which transferred shares in Allied Investments Limited, a fellow group undertaking registered in Bermuda, to the company, for a consideration of £7,095,094.

During the year a number of subsidiaries of the company were liquidated. This resulted in an impairment of investments of £80,474,647.

### 11 Stocks

	2008 £'m	2007 £'m
Maturing inventory	175	200
Finished products	-	1
	<u>175</u>	<u>201</u>

### 12 Debtors

	2008 £'m	2007 £'m
Amounts owed by parent and fellow subsidiary undertakings	492	566
Other debtors	1	-
Prepayments and accrued income	-	2
Deferred tax asset (see note 14)	5	-
	<u>498</u>	<u>568</u>

### 13 Creditors: amounts falling due within one year

	2008 £'m	2007 £'m
Trade creditors	12	1
Amounts owed to parent and fellow subsidiary undertakings	482	946
Other creditors	-	16
Accruals and deferred income	-	1
	<u>494</u>	<u>964</u>



# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 14 Provisions for liabilities and charges

	Deferred tax liability/ (asset) £'m
Balance at 1 July 2007	5
Transfer to profit and loss account	(10)
Balance at 30 June 2008	(5)

	2008 £'m	2007 £'m
The deferred tax (asset)/liability is made up as follows:		
Accelerated capital allowances	(5)	5
Other timing differences	-	-
	(5)	5

The deferred tax asset has been included in debtors. See note 12 for further details.

### 15 Pension costs

In July 2007 all the company's employees were transferred to Chivas Brothers Limited, a fellow group company. As such all employees have now joined the Chivas Brothers Limited pension scheme and left the Allied Domecq Limited group pension scheme. Therefore no contribution was made into the Allied Domecq Limited group pension scheme. In the prior year the contribution for the year was £2 million.

In the prior year the Allied Domecq Ltd group pension scheme showed an FRS 17 deficit of £4m 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.

Detailed commentary is provided in Allied Domecq (Holdings) Limited, a fellow group company.

16 Share capital	2008 £'m	2007 £'m
<b>Authorised</b>		
Ordinary shares of 25 pence each	3,282	2,282
<b>Allotted, called up and fully paid</b>		
Ordinary shares of 25 pence each	829	569

On the 7 February 2008, the Company issued 1,040,000,000 25p ordinary shares. This resulted in an increase of £260,000,000 in share capital. The consideration received for the shares was £260,000,000.

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 17 Statement of movements on reserves

	Share premium account £'m	Profit and loss account £'m
Balance at 1 July 2007	3	244
Profit for the year	-	157
Dividends paid	-	(260)
Balance at 30 June 2008	3	141

### 18 Reconciliation of movements in shareholders' funds

	2008 £'m	2007 £'m
Profit for the financial year	157	162
Dividends	(260)	(401)
Proceeds from issue of shares	260	-
Net addition to/(depletion from) shareholders' funds	157	(239)
Opening shareholders' funds	816	1,055
Closing shareholders' funds	973	816

### 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 (2007: none). The directors received no emoluments in the prior year.

# ALLIED DOMECQ SPIRITS & WINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2008

### 20 Employees

#### Number of employees

There were no employees during the year apart from the directors. All employees were transferred to Chivas Brothers Limited, a fellow group company on 1 July 2007.

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

	2008 Number	2007 Number
Production	-	579
Marketing & selling	-	1
Distribution	-	97
Administration	-	3
	-	680

#### Employment costs

	2008 £'m	2007 £'m
Wages and salaries	-	27
Social security costs	-	3
Other pension costs	-	2
	-	32

### 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.

### 22 Related party transactions

The Company is a member of the Pernod Ricard S.A. group and is included in the consolidated financial statements of Pernod Ricard S.A., which are publicly available. Accordingly, the Company has taken advantage of the exemption offered by FRS 8 from disclosing related party transactions with other undertakings within, and investee related parties to, the Pernod Ricard S.A. group.

### 23 Post balance sheet events

On 27 August 2008 the Company sold the Glendronach Distillery Company Limited and all its assets relating to the Glendronach Whisky Brand including the Glendronach Distillery to BenRiach Distillery Company Limited. The consideration in relation to the assets is £14,800,000. The consideration due to the Company for the shares in the Glendronach Distillery Company is £180,000.