

Company Registration No. 02772426 (England and Wales)

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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ALLIED DOMEQ EUROPEAN INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	S Macnab V Turpin	(Appointed 1 September 2017)
Secretary	A Mapplebeck	
Company number	02772426	
Registered office	Chivas House 72 Chancellors Road Hammersmith London W6 9RS	
Auditor	KPMG LLP 15 Canada Square London E14 5GL	

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

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ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The directors present their annual report and financial statements for the year ended 30 June 2017.

Principal activities and review of the business

The principal activity of the Company is that of an intermediate financing company.

The Company's results have been prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

As a financing Company, the most material item impacting current and prior year statement of total comprehensive income is the movements in the interest income on its lending activity.

The Company made a profit before taxation of €2.2m in the year from interest income on its lending activity. (2016: €2.5m).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H Fetter	(Resigned 31 August 2017)
S Macnab	
V Turpin	(Appointed 1 September 2017)

Results and dividends

The results for the year are set out on page 5. A review of the business and results for the year are discussed above.

The Company paid no dividends in the year (2016: nil).

Political donations

Neither the Company nor any of its direct subsidiaries made any political donations or incurred any political expenditure in the year.

Employees

The average monthly number of persons (including directors) employed by the Company during the year did not exceed 250.

Future developments

The Company remains committed to lending to fellow group undertakings by using debt financing and the directors are satisfied with the overall performance of the fellow group undertakings.

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

Financial instruments

Treasury operations and financial instruments

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

Liquidity risk

The Group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The Group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on its floating rate deposits, bank overdrafts and loans. The Group uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates, where appropriate. The Company has no interest rate swaps in place as all loan balances are within the Pernod Ricard S.A. group.

Foreign currency risk

The Group's principal foreign currency exposures arise from trading operations in overseas companies. Group policy permits, but does not demand, that these exposures may be hedged. This hedging activity involves the use of foreign exchange forward contracts.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks which must fulfill credit rating criteria approved by the Board of Directors of Pernod Ricard S.A.

Auditor

As a consequence of a transparent and competitive tender, Mazars LLP resigned as auditor to the Company with effect from 31 March 2017 and KPMG LLP was then appointed as auditor in accordance with section 485 of the Companies Act 2006.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors 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 auditor is aware of that information.

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

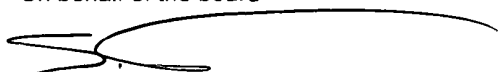
Going concern

After making enquiries, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

The Directors' Report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

In accordance with section 414B of the Companies Act 2016, a Strategic Report has been excluded from these financial statements, due to the entities eligibility for small company exemptions.

On behalf of the board



S Macnab

Director

15 December 2017

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Allied Domecq European Investments Limited ('the Company') for the year ended 30 June 2017 which comprise the statement of total comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at

www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.



Jeremy Williams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
15 December 2017

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 €000	2016 €000
Interest receivable and similar income	5	2,228	2,540
Profit before taxation on ordinary activities		2,228	2,540
Tax on profit on ordinary activities	6	(424)	(504)
Profit for the financial year		1,804	2,036
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		1,804	2,036

The Statement of Total Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 14 are an integral part of these financial statements.

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 €000	€000	2016 €000	€000
Current assets					
Debtors: amounts falling due after one year	7	153,520		151,738	
Creditors: amounts falling due within one year	8	(203)		(225)	
Net assets			<u>153,317</u>		<u>151,513</u>
Capital and reserves					
Called up share capital	9		858		858
Capital redemption reserve	10		2,576		2,576
Profit and loss reserves			149,883		148,079
Total equity			<u>153,317</u>		<u>151,513</u>

The notes on pages 10 to 14 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2017 and are signed on its behalf by:



S Macnab
Director

Company Registration No. 02772426

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Share capital €'000	Capital redemption reserve €'000	Profit and loss reserves €'000	Total €'000
Balance at 1 July 2015		858	2,576	146,043	149,477
Year ended 30 June 2016:					
Total comprehensive income for the year		-	-	2,036	2,036
Balance at 30 June 2016		858	2,576	148,079	151,513
Year ended 30 June 2017:					
Total comprehensive income for the year		-	-	1,804	1,804
Balance at 30 June 2017		858	2,576	149,883	153,317

The notes on pages 10 to 14 are an integral part of these financial statements.

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

Allied Domecq European Investments Limited is a limited Company domiciled and incorporated in England and Wales. The registered office is Chivas House, 72 Chancellors Road, Hammersmith, London, W6 9RS. The principal place of business is 111-113 Renfrew Road, Paisley, PA3 4DY.

The Company is a wholly owned subsidiary of Pernod Ricard S.A. and its results are included in the consolidated financial statements of Pernod Ricard S.A.

1.1 Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is Euro, which is also the functional reporting currency of the company.

All amounts in the financial statements have been rounded to the nearest €1,000.

The financial statements have been prepared under the historical cost convention and on a going concern basis. The principal accounting policies adopted are set out below and, unless otherwise stated, have been applied consistently for all periods presented in these financial statements.

1.2 Reduced disclosure exemptions

The Company has taken advantage of certain disclosure exemptions in preparing these financial statements, as permitted by Section 1 of FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation
- the requirements of Section 11 Basic Financial Instruments paragraphs financial instruments disclosures;
- the requirements of Section 12 Other Financial Instrument Issues, hedge accounting disclosures;
- the requirements of Section 33 Related Party Disclosures, key management personnel compensation.

This information is included in the consolidated financial statements of Pernod Ricard S.A. as at 30 June 2017. Copies of its annual report may be obtained from 12 Place Des Etats-Unis, 75783 Paris, Cedex 16, France.

1.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported in the Statement of Total Comprehensive Income during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Assessing for indicators of impairment

The Company assesses for any indication that its assets may be impaired by considering whether any significant changes have taken place, or are expected to take place, which could have an adverse effect on the entity.

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Assessing functional currency

The directors are required to identify the functional currency of the Company. In making this decision the directors have used judgement to determine which currency represents the economic effects of the underlying transactions, events and conditions.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The intention is that the amount included in creditors due within one year will be repaid using intercompany funding from a fellow subsidiary. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Revenue

Interest income is recognised using the effective interest method and classified as forming part of operating profit from ordinary activities.

1.6 Financial assets and liabilities

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments

Basic financial instruments which include trade payables and receivables; inter-company lending arrangements; and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected unless the arrangement constitutes a financing transaction, where the Company measures the debt instrument at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.7 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable.

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Total Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.9 Foreign exchange

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Statement of Total Comprehensive Income for the period.

2 Auditor's remuneration

The auditor's remuneration for these financial statements amounts to €5,234 (£4,500) (2016: €10,678 (£8,000)). The 2016 remuneration included the audit of the Company's transition to FRS 102. The current and prior year audit fee has been borne by another group company. There are no additional fees receivable by the Company's auditor in respect of services other than the audit of the Company's financial statements.

3 Employees

There were no employees during the year (except for directors) (2016: nil).

4 Directors' remuneration

The number of directors remunerated by the Company for the year ended 30 June 2017 was nil (2016: nil). Directors' emoluments are borne by another group Company in the current and prior year, and they do not receive specific remuneration for their role as directors of the Company.

5 Interest receivable and similar income

	2017 €'000	2016 €'000
Interest receivable from group companies	2,228	2,540

6 Taxation

	2017 €'000	2016 €'000
Current tax		
UK corporation tax on profits for the current period	436	477
Prior year adjustments	(12)	27
Total current tax	424	504

ALLIED DOMECQ EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

6 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the Statement of Total Comprehensive Income as follows:

	2017 €'000	2016 €'000
Profit before taxation	2,228	2,540
Expected tax charge based on the standard rate of corporation tax in the UK of 19.75% (2016: 20.00%)	440	508
Prior period exchange difference on movement between opening and closing spot rate	(12)	27
Current period exchange difference on movement between opening and closing spot rate	(4)	(31)
Tax expense for the year	424	504

Factors that may affect future tax charges

Finance Act 2016 was substantively enacted on 15 September 2016, which had the effect of reducing the main rate of corporation tax from 19% to 17% from 1 April 2020. As this rate change was enacted before the balance sheet date, any deferred tax assets or liabilities have been calculated at 19% or 17% in line with when the company anticipates the temporary differences will unwind.

7 Debtors

	2017 €'000	2016 €'000
Debtors: amounts falling due after one year		
Amounts due from fellow group undertakings	153,520	151,738

8 Creditors: amounts falling due within one year

	2017 €'000	2016 €'000
Corporation tax	203	225

9 Share capital

	2017 €'000	2016 €'000
Ordinary share capital		
Allotted, called up and fully paid		
59,151,000 Ordinary shares of £0.01 each	858	858

The Company has one class of ordinary shares which carry no right to fixed income.

ALLIED DOMEQ EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

10 Capital redemption reserve

This reserve represents the amount the Company transferred to maintain capital following the redemption of its own shares on 1 July 2014.

11 Related party transactions

The Company has taken advantage of the exemption under the terms of paragraph 33.1A of FRS 102 from disclosing transactions with entities that are wholly owned by the Pernod Ricard S.A. group.

12 Controlling party

The Company's immediate parent company is Allied Domecq Investments UK, a company registered in England.

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. This is the largest and smallest group into whose consolidated accounts the Company's financial information is consolidated.

13 Events after the reporting date

No material events occurred after the reporting date.