

ALLIED DOMEQ MEDICAL EXPENSES TRUST LIMITED

Directors' Report and Accounts

Year to 31 August 2004

Registered number : 2991889



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Report of the Directors

YEAR TO 31 AUGUST 2004

The financial statements for the period are set out on pages 5 to 11.

REVIEW OF THE FINANCIAL PERIOD

The profit after taxation for the year ended 31 August 2004 was £4,000. The directors do not propose to declare a dividend.

PRINCIPAL ACTIVITIES

The principal activity of the company is providing medical treatment for certain employees or retired employees of the Allied Domecq PLC group and their dependants where the group so decides.

DIRECTORS

The following served as directors during the year:

T F R Brown	Resigned 31 October 2003
R Solk	
C Degg	Appointed 4 May 2004

Directors' Interests

The beneficial interests of directors in the ordinary share capital of Allied Domecq PLC as at 31 August 2004 were as follows:

	At 31 August 2004 Ordinary Shares	At 1 September 2003/ date of appointment Ordinary Shares
R Solk	-	-
C Degg	-	-
Total of directors' beneficial interests	-	-

During the year options in respect of ordinary shares in Allied Domecq PLC were granted to Richard Solk (25,000). None of the directors serving at the end of the year exercised any options in respect of ordinary shares in Allied Domecq PLC during the year. These figures include options under Allied Domecq PLC's savings-related share option schemes.

Report of the Directors

YEAR TO 31 AUGUST 2004

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.

AUDITOR

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as the auditors to the company will be proposed at the next Annual General Meeting.

By order of the Board



R Solk
DIRECTOR

30 June 2005

Statement of Directors' Responsibilities

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 for that year. 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 a 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibilities 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.

Report of the Auditors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIED DOMECQ MEDICAL EXPENSES TRUST LIMITED

We have audited the financial statements on pages 5 to 11.

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 member as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

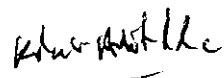
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 August 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered accountants
Registered auditor
London

30 June 2005

Accounting Policies

YEAR TO 31 AUGUST 2004

BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention, and comply with applicable UK Accounting Standards.

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Allied Domecq PLC, and its cash flows are included within the consolidated cash flow statement of the group.

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

TURNOVER

Turnover represents amounts invoiced in relation to medical expenses.

DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

Profit and Loss Account

YEAR TO 31 AUGUST 2004

	Note	Year to 31 August 2004 £'000	Year to 31 August 2003 £'000
Turnover from continuing operations		1,287	1,055
Cost of sales		(1,287)	(1,055)
Operating costs	1	-	(2)
Operating loss from continuing operations		-	(2)
Interest receivable and similar income	4	6	3
Profit on ordinary activities before taxation		6	1
Taxation on profit on ordinary activities	5	(2)	-
Retained profit	9	4	1

There is no difference between the profit on ordinary activities for the year as disclosed in the profit and loss account and the results stated on an unmodified historical cost basis.

There are no recognised gains or losses other than the profit for the year.

Balance Sheet

AS AT 31 AUGUST 2004

	Note	2004 £'000	2003 £'000
Current Assets			
Debtors	6	1,259	1,393
Cash at bank and in hand		129	154
Creditors (due within one year)	7	(1,263)	(1,426)
Net current assets		125	121
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	125	121
Shareholders' funds		125	121

30 June 2005
 Approved by the board on _____ and signed on its behalf by:



R Solk
 DIRECTOR

Reconciliation of Movements in Shareholders' Funds

YEAR TO 31 AUGUST 2004

	Year to 31 August 2004 £'000	Year to 31 August 2003 £'000
Shareholders' funds at the beginning of the year	121	120
Profit for the financial year	4	1
Shareholders' funds at the end of the year	125	121

Notes to the Accounts

YEAR TO 31 AUGUST 2004

1 OPERATING COSTS

The auditors' remuneration for their services in the year is borne by another group company.

2 STAFF COSTS

The company had no employees during the year (2003: nil).

3 DIRECTORS' REMUNERATION

The directors received no remuneration in respect of their services to the company during the year (2003: nil).

The interest of directors in the ordinary share capital of Allied Domecq PLC and in options in respect of ordinary shares in Allied Domecq PLC are given on page 1.

	Year to 31 August 2004 £'000	Year to 31 August 2003 £'000
4 INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank deposit interest	6	3
	6	3

	Year to 31 August 2004 £'000	Year to 31 August 2003 £'000
5 TAXATION		
The charge for taxation on the profit for the year comprises:		
Current tax		
United Kingdom corporation tax at 30% (2003: 30%)	(47)	(14)
Deferred tax	49	14
Total tax charge	2	-

Notes to the Accounts

YEAR TO 31 AUGUST 2004

TAXATION continued

A reconciliation of the current tax charge at the UK corporation tax rate of 30% (2003: 30%) to the current tax on profit on ordinary activities is shown below:

	Year to 31 August 2004 £'000	Year to 31 August 2003 £'000
Profit on ordinary activities before taxation	6	1
Tax charge at UK corporation tax rate	2	-
Timing differences	(49)	(14)
Current tax charge	(47)	(14)

	2004 £'000	2003 £'000
6 DEBTORS		
Trade debtors	-	29
Amounts owed by group undertakings	833	922
Taxation	47	14
Deferred taxation (see below)	379	428
	1,259	1,393

	Year to 31 August 2004 £'000	Year to 31 August 2003 £'000
Deferred tax		
At the beginning of the year	428	442
Charged/(utilised) during the year	(49)	(14)
At the end of the year	379	428

	2004 £'000	2003 £'000
7 CREDITORS		
Amounts falling due within one year		
Deferred premiums owed to group companies	1,263	1,426
	1,263	1,426

Notes to the Accounts

YEAR TO 31 AUGUST 2004

	Authorised		Allotted, called up and fully paid	
	2004	2003	2004	2003
8 SHARE CAPITAL	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	2	2
	1,000	1,000	2	2

9 CAPITAL AND RESERVES	Share Capital £'000	Profit and loss account £'000	Total £'000
At the beginning of the year	-	121	121
Retained profit for the year	-	4	4
At the end of the year	-	125	125

10 ULTIMATE PARENT COMPANY

The largest group in which the results of the company are consolidated is that headed by Allied Domecq PLC, a company incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from:

The Company Secretary
Allied Domecq PLC
The Pavilions
Bridgwater Road
Bedminster Down
BRISTOL
BS13 8AR

No other group accounts include the results of the company.