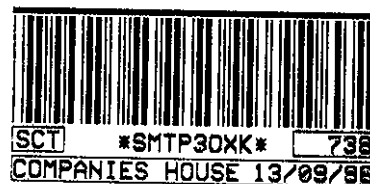


HOUSE OF CAMPBELL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

DC



HOUSE OF CAMPBELL LIMITED

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HOUSE OF CAMPBELL LIMITED

COMPANY INFORMATION

Directors: T Jacquillat (Chairman)
His Grace the Duke of Argyll
P Ricard
R Baudinet
B Roqueplo

Secretary: A Davie

Registered office: House of Campbell
West Byrehill
Kilwinning
Ayrshire
KA13 6LE

Registered number: 17607 Scotland

Auditors: Mazars & Guérard
Chartered Accountants
12th Floor
New Zealand House
80 Haymarket
London
SW1Y 4TE

HOUSE OF CAMPBELL LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended December 31, 1995.

Principal activity and business review

The principal activity of the company is the making of investments, and that of its subsidiaries is the distilling, blending and bottling of Scotch whisky and the shipping and marketing of wines and spirits. The directors are pleased with the results for the year and are confident that the current year will result in a profit. The profit of the group for the year amounted to £3,637,720 (Restated 1994 - £3,641,946) which is taken to profit and loss account. No dividend is recommended.

Fixed assets

Information relating to fixed assets is set out in notes 10 to 13 to the financial statements. During the year the directors re-examined the accounting treatment of casks used for the storage of whisky. Due to improvements in the production process and the consequent reduction in re-coopering of casks it was considered more appropriate to reclassify these items into fixed assets as this provides a fairer reflection of their use in the business. Accordingly and as discussed in note 25, the prior year comparative figures have been restated.

Directors and their interests

The directors of the company at the date of this report are shown on page 1. B Roqueplo was appointed as a director on February 1, 1996. G Nectoux also served as a director during the year and resigned on February 1, 1996. According to the register of directors' interests, none of the directors had any beneficial interest in the share capital of the company or of any UK group company at the end of the year.

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 controls, work skills, language skills and self-development. Employees participate in a bonus scheme which is linked to the performance of the company.

Equal opportunities

The company is an equal opportunity employer. Entry into the company and progression within it is determined by merit and the application of criteria related to the effective performance of the task and the needs of the company. No applicant or employee is treated more or less favourably because of his or her sex, marital status, race, nationality, ethnic or national origin, colour or religious beliefs.

Employment of the disabled

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

HOUSE OF CAMPBELL LIMITED

DIRECTORS' REPORT (continued)

Auditors

On May 1, 1996, Mazars changed their name to Mazars & Guérard and, accordingly, have signed the audit report in their new name. The company has passed an elective resolution to dispense with the appointment of auditors on an annual basis. Accordingly, Mazars & Guérard will continue as auditors.

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 group and of the profit or loss of the group 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;
- 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 to 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.

By order of the Board.



A Davie
Company Secretary
June 17, 1996

HOUSE OF CAMPBELL LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
HOUSE OF CAMPBELL LIMITED**

We have audited the financial statements on pages 5 to 28 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on pages 2 and 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

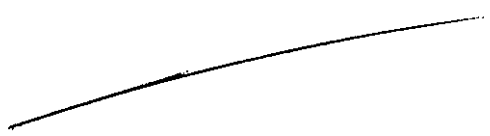
Basis of opinion

We conducted our audit in accordance with Auditing Standards. 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 group'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 affairs of the company and of the group as at December 31, 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Mazars & Guérard
Chartered Accountants
Registered Auditors
London
August 23, 1996

HOUSE OF CAMPBELL LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1995**

	Notes	1995 £	1994 as restated £
Turnover	2	112,646,258	92,667,806
Cost of sales		(73,705,328)	(59,169,568)
Gross profit		38,940,930	33,498,238
Distribution costs		(3,253,139)	(2,552,840)
Administrative expenses		(25,302,459)	(23,015,529)
Other operating income	6	1,143,516	1,417,039
Operating profit		11,528,848	9,346,908
Income from fixed asset investments		275,001	150,001
Interest receivable and similar income	7	334,181	97,363
Interest payable and similar charges	8	(5,490,602)	(3,489,572)
Profit on ordinary activities before taxation	3	6,647,428	6,104,700
Tax on profit on ordinary activities	9	(3,009,708)	(2,462,754)
Profit for the financial year	23	£ 3,637,720	£ 3,641,946

The operating profit arises solely from continuing operations.

The notes on pages 10 to 28 form part of the financial statements.

HOUSE OF CAMPBELL LIMITED

CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 1995

	Notes	1995 £	1994 as restated £
Fixed assets			
Intangible assets	10	-	17,240
Tangible assets	11	13,215,491	13,324,983
Investments	12	38,281,301	38,277,474
		<u>51,496,792</u>	<u>51,619,697</u>
Current assets			
Stocks	14	42,313,115	39,428,057
Debtors (amounts falling due within one year)	15	38,586,511	27,800,839
Cash at bank and in hand		6,775,511	458,732
		<u>87,675,137</u>	<u>67,687,628</u>
Creditors (amounts falling due within one year)	17	<u>(50,771,212)</u>	<u>(30,546,598)</u>
Net current assets		<u>36,903,925</u>	<u>37,141,030</u>
Total assets less current liabilities		<u>88,400,717</u>	<u>88,760,727</u>
Creditors (amounts falling due after more than one year)	18	<u>(23,219,912)</u>	<u>(27,457,538)</u>
Provisions for liabilities and charges			
Deferred taxation	21	(718,000)	(428,104)
Net assets		<u>£ 64,462,805</u>	<u>£ 60,875,085</u>
Capital and reserves			
Called up share capital	22	7,466,666	7,466,666
Share premium account		6,421,469	6,421,469
Capital redemption reserve		20,000	70,000
Profit and loss account		50,554,670	46,916,950
Equity shareholders' funds	23	<u>£ 64,462,805</u>	<u>£ 60,875,085</u>

The financial statements on pages 5 to 28 were approved by the directors on June 17, 1996.

T Jacquillat.....

B Roqueplo.....

The notes on pages 10 to 28 form part of the financial statements.

HOUSE OF CAMPBELL LIMITED

COMPANY BALANCE SHEET
AT DECEMBER 31, 1995

	Notes	1995 £	1994 £
Fixed assets			
Investments	13	43,985,321	44,095,321
Current assets			
Debtors (amounts falling due within one year)	15	18,744,130	17,871,714
Debtors (amounts falling due after more than one year)	16	-	3,896
Creditors (amounts falling due within one year)	17	18,744,130 (10,036,159)	17,875,610 (6,860,577)
Net current assets		8,707,971	11,015,033
Total assets less current liabilities		52,693,292	55,110,354
Creditors (amounts falling due after more than one year)	18	(23,157,895)	(27,401,198)
Net assets		£ 29,535,397	£ 27,709,156
Capital and reserves			
Called up share capital	22	7,466,666	7,466,666
Share premium account		6,421,469	6,421,469
Profit and loss account		15,647,262	13,821,021
Equity shareholders' funds	24	£ 29,535,397	£ 27,709,156

The financial statements on pages 5 to 28 were approved by the directors on June 17, 1996.

T Jacquillat.....

B Roqueplo.....

The notes on pages 10 to 28 form part of the financial statements.

HOUSE OF CAMPBELL LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1995

	Notes	1995 £	1994 as restated £
Net cash inflow from operating activities	30	12,134,490	11,385,123
Returns on investments and servicing of finance			
Interest received		334,181	97,363
Interest paid		(5,488,423)	(3,477,766)
Dividends received		275,001	150,001
Net cash outflow from returns on investments and servicing of finance		(4,879,241)	(3,230,402)
Taxation			
UK corporation tax paid		(2,464,309)	(3,288,860)
Investing activities			
Purchase of tangible and intangible fixed assets		(1,527,464)	(618,284)
Sale of tangible fixed assets		22,172	-
Purchase of investments in group undertakings		(3,827)	-
Net cash outflow from investing activities		(1,509,119)	(618,284)
Net cash inflow before financing		3,281,821	4,247,577
Financing			
Repayment of bank loans	31	(4,243,303)	(3,919,111)
Redemption of capital reserve		(50,000)	-
Net cash outflow from financing		(4,293,303)	(3,919,111)
Increase/(decrease) in cash and cash equivalents	32	£ (1,011,482)	£ 328,466

The notes on pages 10 to 28 form part of the financial statements.

HOUSE OF CAMPBELL LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 1995**

	Notes	1995 £	1994 as restated £
Profit for the financial year		3,637,720	3,641,946
Total recognised gains and losses relating to the financial year		3,637,720	£ 3,641,946
Prior year adjustment	25	(857,605)	
Total gains and losses recognised since last annual report		£ 2,780,115	

The notes on pages 10 to 28 form part of the financial statements.

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

1. Accounting policies

The principal accounting policies of the company are set out below. The policies remain unchanged from the previous year except as noted.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries made up to December 31. The company is not required to publish its individual profit and loss account as a consolidated profit and loss account is presented.

Change in accounting policy

Casks used for the storage of whisky have been reclassified from stocks into fixed assets. The nature of the adjustment and its impact on reported profits is described in note 25. The prior year comparative figures have been restated accordingly.

Turnover

Turnover represents amounts invoiced stated net of value added tax and duty.

Foreign currencies

Transactions denominated in foreign currencies are recorded in sterling at the exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported in the profit and loss account.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Dividend income

Dividend income from trade investments is recognised when the dividend is declared.

Pension costs

The group operates a defined benefit pension scheme. The amount charged to the profit and loss account is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future pensionable payroll. Variations from regular cost are charged or credited to the profit and loss account over the estimated average remaining service lives of scheme members. Details of the latest actuarial valuation are given in note 29.

Any difference between amounts charged to the profit and loss account and contributions paid under the scheme is shown as a separately identified prepayment or accrual in the balance sheet.

The assets of the scheme are held independently of the group by Scottish Widows Fund and Life Assurance Society.

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

1. Accounting policies (continued)

Goodwill

Goodwill is the difference between the fair value of the consideration given for the acquisition of a subsidiary undertaking and the aggregate of the fair values of the separate net assets acquired. Purchased goodwill is amortised through the profit and loss account on a straight line basis over the period that the directors consider the company will benefit from the expenditure.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost. Depreciation is provided to write off the cost less estimated residual value of all fixed assets on straight line bases over their expected useful lives:

Leasehold properties	- over the period of the lease
Freehold properties	- 20 years
Plant and machinery	- 10 years
Furniture, fittings & equipment	- between 5 and 10 years
Computer equipment	- between 3 and 5 years
Motor vehicles	- 4 years
Casks	- 20 years

Fixed asset investments

Fixed asset investments are included at cost. Provision is made for any permanent impairment in the value of an investment.

Government grants

Capital grants are transferred to a deferred credit account and released to income over the lives of the assets concerned.

Stocks

Stocks are stated at the lower of cost and net realisable value. In respect of whisky stocks purchased from third parties, cost represents the purchase price plus bond rents incurred in storage, while for whisky stocks produced within the group, cost represents materials, direct labour and appropriate production overheads plus bond rents incurred in storage. Provision is made where necessary for obsolete, slow moving and defective stock. In accordance with industry practice whisky stocks are shown as current assets even though a substantial part of stocks will not be sold within one year.

Deferred taxation

Provision is made for deferred tax at current rates of taxation in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements, to the extent that a liability is expected to crystalize in the foreseeable future.

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

2. Turnover	1995	1994
	£	£
United Kingdom	52,355,962	46,341,454
Rest of Europe	50,618,720	41,039,733
Rest of the world	9,671,576	5,286,619
	£ 112,646,258	£ 92,667,806
 3. Profit on ordinary activities before taxation	 1995	 1994
	£	as restated £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration	110,126	95,950
Auditors' remuneration for non-audit work	34,840	61,981
Staff costs (refer note 4)	10,673,571	9,527,875
Depreciation of owned tangible fixed assets	1,455,857	1,385,437
Amortisation of goodwill	52,240	85,035
Amortisation of government grants	(20,323)	(20,323)
Loss on sale of fixed assets	123,927	-
Operating lease rentals - plant and machinery	569,635	611,903
Exchange loss on foreign currency borrowings	2,977,546	1,206,890

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

4. Employee information	1995 £	1994 £
Wages and salaries	9,210,231	8,162,793
Social security costs	649,808	547,805
Other pension costs	813,532	817,277
	£ 10,673,571	£ 9,527,875

Included in total staff costs is £223,132 (1994 - £217,608) in respect of directors' remuneration (refer note 5).

The average number of persons employed by the group during the year was:

	1995 Number	1994 Number
Sales	89	91
Distribution	16	16
Administration	113	91
Production	140	142
	358	340

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

5. Directors' remuneration	1995	1994
	£	£
Emoluments (including pension contributions)	223,132	217,608
Payment to third party for services of a Director	100,000	100,000
	£ 323,132	£ 317,608
Emoluments (excluding pension contributions) of:		
Chairman	£ 60,637	£ 52,304
Highest paid director	£ 110,916	£ 113,888
Directors received emoluments (excluding pension contributions) in the following ranges:	1995	1994
	Number	Number
£5,001 - £10,000	1	1
£25,001 - £30,000	1	1
£50,001 - £55,000	-	1
£60,001 - £65,000	1	-
£110,001 - £115,000	1	1
 6. Other operating income	 1995	 1994
	£	£
Warehouse rental	441,278	491,610
Bottling services	151,673	281,357
Sale of by-products	172,855	232,502
Management fees	263,000	238,490
Other	114,710	173,080
	£ 1,143,516	£ 1,417,039

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

7. Interest receivable and similar income	1995	1994
	£	£
Bank deposit interest	157,705	38,540
Other	176,476	58,823
	£ 334,181	£ 97,363
 8. Interest payable and similar charges	 1995	 1994
	£	£
Interest payable to group undertakings	136,221	14,260
Interest payable on bank loans, overdrafts and other loans repayable within 5 years	2,376,835	2,268,422
Exchange loss on foreign currency borrowings	2,977,546	1,206,890
	£ 5,490,602	£ 3,489,572
 9. Tax on profit on ordinary activities	 1995	 1994
	£	£
UK corporation tax at 33% (1994 - 33%)	2,664,812	2,452,593
Deferred taxation	289,896	191,535
Adjustment in respect of prior years	-	(211,374)
Tax credit on UK dividends received	55,000	30,000
	£ 3,009,708	£ 2,462,754

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

10. Intangible fixed assets	Goodwill £
Cost	
at January 1, 1995	219,036
Additions	35,000
at December 31, 1995	£ 254,036
Amortisation	
at January 1, 1995	201,796
Charge for the year	52,240
at December 31, 1995	£ 254,036
Net book amount	
at December 31, 1995	£ -
Net book amount	
at January 1, 1995	£ 17,240

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

11. Tangible fixed assets
(Group)

	Land and buildings £	Plant, machinery and motor vehicles £	Furniture fittings and equipment £	Casks £	Total as restated £
Cost					
at January 1, 1995	8,233,299	6,573,881	1,676,499	6,206,775	22,690,454
Additions	237,186	600,560	466,347	188,371	1,492,464
Disposals	-	(42,291)	(37,041)	(138,993)	(218,325)
at December 31, 1995	£ 8,470,485	£ 7,132,150	£ 2,105,805	£ 6,256,153	£ 23,964,593
Depreciation					
at January 1, 1995	3,503,916	3,865,770	1,138,180	857,605	9,365,471
Charge for the year	337,111	612,243	198,429	308,074	1,455,857
Disposals	-	(32,389)	(22,516)	(17,321)	(72,226)
at December 31, 1995	£ 3,841,027	£ 4,445,624	£ 1,314,093	£ 1,148,358	£ 10,749,102
Net book amount					
at December 31, 1995	£ 4,629,458	£ 2,686,526	£ 791,712	£ 5,107,795	£ 13,215,491
Net book amount					
at January 1, 1995	£ 4,729,383	£ 2,708,111	£ 538,319	£ 5,349,170	£ 13,324,983

Included in land and buildings is a long leasehold building with a net asset value of £573,625 (1994 - £583,017).

All of the group's freehold land and buildings have been given as security for bank loans issued to the company (refer note 19).

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

12. Fixed asset investments (Group)	Trade investments (unlisted) £
Shares at cost	
at January 1, 1995	38,318,550
Additions	3,827
at December 31, 1995	£ 38,322,377
Amount written off	
at January 1, 1995	41,076
Provision for the year	-
at December 31, 1995	£ 41,076
Net book amount	
at December 31, 1995	£ 38,281,301
Net book amount	
at January 1, 1995	£ 38,277,474

Included in trade investments of both the company and of the group is the cost of acquiring an interest in bonds issued by Cidreries et Sopagly Réunies ("CSR"), a fellow subsidiary undertaking of Pernod Ricard SA. This interest comprises a right to the allotment of 372,500 shares with a par value of FRF135 each in CSR when the bonds are redeemed on November 30, 2000. Under certain circumstances, an allotment of shares to the company could take place on an earlier date. The company is not entitled to the receipt of any cash amounts in respect of the principal or interest due under the terms of the bonds, but such entitlements are to be held in trust on its behalf until November 30, 2000. The nominal value of the allotted share capital of CSR at December 31, 1995 was FRF 58,457,295. Under the terms of the bonds, no shares would be allotted in the circumstances of default by CSR but the bonds would be redeemed in cash at the issue price plus accrued interest.

The group owns 10% of Pernod Ricard Japan, a fellow subsidiary undertaking of Pernod Ricard SA, which is registered in Japan.

The group also owns 20% of each class of the share capital of Vintage and Fine Wine International Limited, a company registered in England and Wales which is a distributor and vendor of vintage port. At March 31, 1995 the capital and reserves of Vintage and Fine Wine International Limited were £3,095,376 (1994 - £2,370,478) and its profit for the year then ended was £1,324,898 (1994 - £1,466,696). The company also owns 19% of the share capital of Marlin Limited, a company registered in Jersey.

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

13. Fixed asset investments (Company)

	Subsidiary undertakings £	Trade investments (unlisted) £	Total £
Shares at cost at January 1, 1995	5,900,000	38,195,321	44,095,321
Liquidation of dormant subsidiaries	(110,000)	-	(110,000)
at December 31, 1995	£ 5,790,000	£ 38,195,321	£ 43,985,321

The company's principal investments in subsidiary undertakings are as follows:

Subsidiary undertaking	Principal activity	County of registration or incorporation	Class of share	Percentage of shares held
Campbell Distillers Limited	Whisky distiller wine and spirit supplier	Scotland	Ordinary	100%
World Brands Duty Free Limited	Duty free spirit supplier	England	Ordinary	100%
Caxton Tower Wines Limited*	Wine supplier and distributor	England	Ordinary A	100%
Malcolm Scott and Company Limited*	Investment company	Scotland	Ordinary	100%

* Interests identified with an asterik are held by a subsidiary undertaking.

In the opinion of the directors, the aggregate value of the assets of the company consisting of shares in, or amounts owing from, the company's subsidiary undertakings is not less than the aggregate of the amounts at which those assets are included in the company's balance sheet.

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

14.	Stocks (Group)			1995 £	1994 as restated £
	Raw material			1,543,040	2,149,837
	Work in progress (maturing whisky stock)			28,339,896	29,839,637
	Finished goods			12,430,179	7,438,583
				£ 42,313,115	£ 39,428,057
15.	Debtors (amounts falling due within one year)	Group 1995 £	Company 1995 £	Group 1994 £	Company 1994 £
	Trade debtors	26,350,583	-	20,962,017	-
	Amounts owed by parent and fellow subsidiary undertakings	10,371,066	-	6,240,006	-
	Amounts owed by subsidiary undertakings	-	18,744,130	-	17,867,137
	Other debtors	1,417,083	-	307,324	-
	Prepayments and accrued income	447,779	-	291,492	4,577
		£ 38,586,511	£ 18,744,130	£ 27,800,839	£ 17,871,714
16.	Debtors (amounts falling due after more than one year) (Company)			1995 £	1994 £
	Deferred tax asset			£ -	£ 3,896

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

17. Creditors (amounts falling due within one year)	Group 1995 £	Company 1995 £	Group 1994 £	Company 1994 £
Bank loans and overdrafts (note 19)	15,244,566	10,035,432	7,916,305	6,860,377
Trade creditors	5,926,107	-	4,776,434	-
Amounts owed to parent and fellow subsidiary undertakings	17,178,279	-	8,727,079	-
Amounts owed to subsidiary undertakings	-	-	-	200
Corporation tax payable	2,635,517	-	2,380,014	-
Other creditors	2,653,366	-	53,839	-
Taxation and social security	688,794	-	737,102	-
Accruals and deferred income	6,444,583	727	5,955,825	-
	<u>£ 50,771,212</u>	<u>£ 10,036,159</u>	<u>£ 30,546,598</u>	<u>£ 6,860,577</u>
18. Creditors (amounts falling due after more than one year)	Group 1995 £	Company 1995 £	Group 1994 £	Company 1994 £
Bank loans and overdrafts	23,157,895	23,157,895	27,401,198	27,401,198
Regional development grants (refer note 20)	36,017	-	56,340	-
Amounts owed to parent and fellow subsidiary undertakings	26,000	-	-	-
	<u>£ 23,219,912</u>	<u>£ 23,157,895</u>	<u>£ 27,457,538</u>	<u>£ 27,401,198</u>

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

19. Bank loans	Group 1995 £	Company 1995 £	Group 1994 £	Company 1994 £
Due within 1 year	15,244,566	10,035,432	7,916,305	6,860,377
Due within 1 to 2 years	5,789,474	5,789,474	6,323,353	6,323,353
Due within 2 to 5 years	17,368,421	17,368,421	15,808,383	15,808,383
Due after 5 years	-	-	5,269,462	5,269,462
	£ 38,402,461	£ 33,193,327	£ 35,317,503	£ 34,261,575

Bank loans of the company and of the group include medium term loans amounting to £29,009,398 (1994 - £30,311,156) which are secured by a floating charge over the assets of the company and its subsidiary, Campbell Distillers Limited, and a fixed charge over all freehold properties owned by Campbell Distillers Limited. The medium term loans are denominated in French francs and the amounts included in the balance sheet represent the sterling equivalent of FRF220,471,428 (1994 - FRF253,098,149) at the exchange rate applying at the balance sheet date. The medium term loans matured on December 29, 1995, when they were replaced by similar loans in accordance with the terms of medium term facilities with the same group of lenders. In accordance with FRS 4, the terms of the facilities have been taken into account in assessing the maturity of the loans. The maximum amount available under these facilities reduces in equal annual instalments of FRF44,000,000 (equivalent to £5,789,474 using the year end exchange rate of £1 = FRF7.60), except in 1996 when a reduction of FRF52,800,000 (equivalent to £6,947,368) is required. These loans may be repaid earlier at the company's option. The rate of interest applying to the loans in 1995 was 7.25% per annum (1994 - 7.2%).

20. Regional development grants (Group)	1995 £
Net book amount at January 1, 1995	56,340
Amortisation for the year	(20,323)
Net book amount at December 31, 1995	£ 36,017

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

21. Deferred tax (Group)	1995 £	1994 £
Accelerated tax depreciation	778,000	432,000
Short term timing differences	(60,000)	(3,896)
	£ 718,000	£ 428,104

There was no unprovided potential liability at December 31, 1995 (1994 - £Nil).

22. Called up share capital (Company and group)	1995 £	1994 £
Authorised		
7,497,500 ordinary shares of £1	7,497,500	7,497,500
250,000 'A' ordinary shares of £0.01	2,500	2,500
	£ 7,500,000	£ 7,500,000
Allotted, called up and fully paid		
7,464,493 ordinary shares of £1	7,464,493	7,464,493
217,333 'A' ordinary shares of £0.01	2,173	2,173
	£ 7,466,666	£ 7,466,666

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

23. Shareholders' funds (Group)	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total 1995 £	Total 1994 £
At January 1, as previously reported	7,466,666	6,421,469	70,000	47,774,555	61,732,690	57,780,309
Prior year adjustment (refer note 25)	-	-	-	(857,605)	(857,605)	(547,170)
at January 1, as restated	7,466,666	6,421,469	70,000	46,916,950	60,875,085	57,233,139
Liquidation of dormant subsidiary undertakings	-	-	(50,000)	-	(50,000)	-
Profit for the year as restated	-	-	-	3,637,720	3,637,720	3,641,946
at December 31,	£7,466,666	£6,421,469	£20,000	£50,554,670	£64,462,805	£60,875,085

24. Shareholders' funds (Company)	Share capital £	Share premium account £	Profit and loss account £	Total 1995 £	Total 1994 £
At January 1,	7,466,666	6,421,469	13,821,021	27,709,156	24,327,254
Profit for the year	-	-	1,826,241	1,826,241	3,381,902
at December 31,	£7,466,666	£6,421,469	£15,647,262	£29,535,397	£27,709,156

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

25. Prior year adjustment

During the year the directors re-examined the accounting treatment of casks used for the storage of whisky. Due to improvements in the production process and the consequent reduction in re-coopering of casks it was considered more appropriate to reclassify these items from stocks into fixed assets in order to provide a fairer reflection of their use in the business. Accordingly the prior year comparative figures have been restated.

The effect of the change in accounting policy is to increase the depreciation charge in the current year by £290,753 and to decrease retained profit by £857,605, comprising a reduction of £310,435 in the previously reported profit for the year to December 31, 1994 and a reduction in retained profits at January 1, 1994 of £547,170.

26. Capital commitments

At the end of the year there were no capital commitments authorised or contracted for (1994 - £Nil).

27. Contingent liabilities (Group)

A subsidiary has given an indemnity to the company's bankers in respect of the guarantee of £4,000,000 (1994 - £4,000,000) given to Customs and Excise. No loss is expected to arise under this indemnity.

All of the assets of the company's subsidiary undertaking, Campbell Distillers Limited, are secured under a fixed and floating charge on a bank loan issued to the company.

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

28. Operating lease commitments (Group)

Rentals payable within one year of the balance sheet date under operating leases are as follows:

	Plant and machinery 1995 £	Plant and machinery 1994 £
Leases which expire:		
- within 1 year	175,230	274,878
- within 2-5 years	362,838	524,663
	£ 538,068	£ 799,541

29. Defined benefit pension commitments

The most recent actuarial valuation was carried out by Sedgwick Noble Lowndes, an independent qualified actuary, at April 6, 1992 on the Projected Unit method. The main actuarial assumptions were that (a) pensionable salaries would increase by 7.5% per annum, (b) pensions in payment by 7.5% per annum and (c) the return on scheme investments would be 9% per annum.

The valuation showed that the market value of the assets of the scheme was £6,110,923 and the actuarial value of the assets was sufficient to cover 112% of the benefits that had accrued to members after allowing for expected future increases in earnings. This surplus should be eliminated over the remaining working life of the existing members at the current employer's contribution rate of 15% of pensionable earnings from April 1993.

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1995

30. Reconciliation of operating profit to net cash inflow from operating activities	1995 £	1994 as restated £
Operating profit	11,528,848	9,346,908
Depreciation and amortisation of fixed assets	1,508,097	1,470,472
Loss on sale of fixed assets	123,927	-
Amortisation of government grants	(20,323)	(20,323)
Movement in working capital		
- Stocks	(2,885,058)	(1,296,877)
- Debtors	(10,785,672)	(345,328)
- Creditors	12,664,671	2,230,271
	£ 12,134,490	£ 11,385,123

31. Analysis of changes in financing	Bank loans repayable after more than one year £
At January 1, 1994	31,320,309
Financing cash outflows	(3,919,111)
At December 31, 1994	27,401,198
Financing cash outflows	(4,243,303)
at December 31, 1995	£ 23,157,895

HOUSE OF CAMPBELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1995

32. Analysis of changes in cash and cash equivalents during the year	Cash at bank and in hand £	Bank loans and overdrafts £	Total £
At January 1, 1994	1,053,942	(8,839,981)	(7,786,039)
Increase/(decrease) in cash and cash equivalents	(595,210)	923,676	328,466
At December 31, 1994	458,732	(7,916,305)	(7,457,573)
Increase/(decrease) in cash and cash equivalents	6,316,779	(7,328,261)	(1,011,482)
At December 31, 1995	£ 6,775,511	£ (15,244,566)	£ (18,469,055)

33. Ultimate parent company

The ultimate parent company is Pernod Ricard S.A., incorporated in France.

The parent company of the largest group to include the company in its consolidated financial statements is Pernod Ricard S.A., incorporated in France. Copies of its consolidated financial statements are available from 142 Boulevard Haussmann, 75008 Paris, France.

The parent company of the smallest group to include the company in its consolidated financial statements is House of Campbell Limited, incorporated in Scotland. Copies of its consolidated financial statements are available from Companies House, Edinburgh.