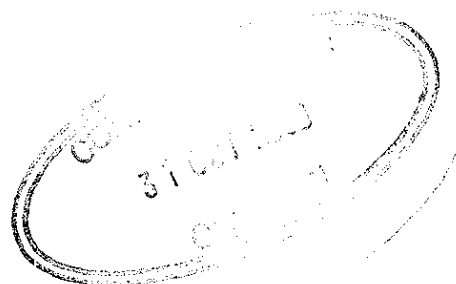


Reports & Financial Statements

For the year ended 31 December 1999

House of Campbell Limited

17607



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HOUSE OF CAMPBELL LIMITED

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COMPANY INFORMATION

DIRECTORS:	T Jacquillat (Chairman) His Grace the Duke of Argyll P Ricard G Cambournac C Porta (Resigned 1 January 2000) A Marignier (Appointed 21 October 1999, resigned 6 June 2000) A Stewart (Appointed 6 June 2000)
SECRETARY:	A Davie
REGISTERED OFFICE:	House of Campbell West Byrehill Kilwinning Aryshire KA13 67E
REGISTERED NUMBER:	17607 Scotland
AUDITORS:	Mazars Neville Russell Chartered Accountants 24 Bevis Marks London EC3A 7NR

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is the making of investments, and those of its subsidiaries are the distilling, blending and bottling of Scotch whisky and the shipping and marketing of wines and spirits. Both the level of business activity during the year and the year end position of the company were satisfactory. The directors expect that the present level of activity will be sustained for the foreseeable future. The loss for the year after dividends of £1,700,000 (1998 - £8,000,000) amounted to £1,816,008 (1998 - £3,615,680) which is taken to profit and loss account.

FIXED ASSETS

Information relating to fixed assets is set out in note 6 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors of the company at the date of this report are shown on page 1. 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.

POST BALANCE SHEET EVENT

On 13 September 2000, the company assigned its rights and interests in the bonds issued by Cidrieres et Sopagly Réunies ("CSR") to Pernod Ricard SA for FF 505 million. This disposal was made pursuant to an offer received for Pernod Ricard SA dated 13 June 2000 related to a decision to restructure CSR's business in France. The resulting book gain on the sale of approximately £9 million will be recorded in the 2000 financial year.

PAYMENT OF SUPPLIERS

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 have been agreed and it is the company's policy to pay in accordance with these terms provided that the supplier is also meeting all relevant terms and conditions.

AUDITORS

The company has passed an elective resolution to dispense with the appointment of auditors on an annual basis. Accordingly, Mazars Neville Russell will continue as auditors.

YEAR 2000

The directors have assessed the risks and uncertainties associated with the Year 2000 issue and have implemented plans to address the problem. Whilst the directors are confident that problems relating to the company's own internal systems will be adequately addressed, the company remains exposed to potential risks from third parties with which it conducts business. The total cost of remedial plans has not been separately quantified.

DIRECTORS' REPORT (continued)

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 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;
- 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

11 October 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF

HOUSE OF CAMPBELL LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 8.

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 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 affairs of the company as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MAZARS Neville Russell

MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors

London

11/10/00

PROFIT AND LOSS ACCOUNT**For the year ended 31 December 1999**

	Notes	1999 £	1998 £
Income from group undertakings		-	10,000,000
Administrative expenses		(475,009)	(497,860)
OPERATING (LOSS)/PROFIT		(475,009)	9,502,140
Interest receivable and similar income	2	3,194,062	-
Interest payable and similar charges	3	(2,889,651)	(4,197,340)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(170,598)	5,304,800
Tax credit/(charge) on (loss)/profit on ordinary activities	5	54,590	(920,480)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(116,008)	4,384,320
Dividends paid		(1,700,000)	(8,000,000)
RETAINED (LOSS) FOR THE FINANCIAL YEAR	13	<u>£(1,816,008)</u>	<u>£(3,615,680)</u>

The operating (loss)/profit arises solely from continuing operations. All recognised gains and losses are included in the profit and loss account.

The notes on pages 8 to 15 form part of the financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 1999

	Notes	1999 £	1998 £
(Loss)/profit for the financial year		(1,816,008)	(3,615,680)
Unrealised (deficit)/surplus on revaluation of investment in subsidiary undertakings	13	7,349,472	(2,894,553)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL YEAR		<u><u>£5,533,464</u></u>	<u><u>£(6,510,233)</u></u>

BALANCE SHEET as at 31 December 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Investments	6	83,072,108	75,722,636
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	30,591,944	32,512,673
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(52,588,089)	(26,409,327)
NET CURRENT ASSETS		(21,996,145)	6,103,346
TOTAL ASSETS LESS CURRENT LIABILITIES		61,075,963	81,825,982
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(598,237)	(26,881,720)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(384,530)	(384,530)
NET ASSETS		<u>£60,093,196</u>	<u>£54,559,732</u>
CAPITAL AND RESERVES			
Called up share capital	12	7,466,666	7,466,666
Share premium account		6,421,469	6,421,469
Revaluation reserve		44,876,787	37,527,315
Profit and loss account		1,328,274	3,144,282
EQUITY SHAREHOLDERS' FUNDS	13	<u>£60,093,196</u>	<u>£54,559,732</u>

The financial statements on pages 5 to 15 were approved by the directors on


Director

The notes on pages 8 to 15 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 1999****1. ACCOUNTING POLICIES**

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

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments in subsidiary undertakings, and in accordance with applicable accounting standards. As the company is wholly owned by Pernod Ricard SA which publishes consolidated financial statements containing a group cash flow statement, it is not required to prepare consolidated financial statements or a cash flow statement or to disclose details of transactions with entities belonging to the group.

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.

Dividend income

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

Fixed asset investments

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

Investments in subsidiary undertakings are included at the underlying net tangible asset value. Prior to 1997 investments in subsidiary undertakings were included at cost, with provision for any permanent impairment in value. The effect of the change in accounting policy in 1998 is shown in the statement of recognised gains and losses and Equity Shareholders' Funds (note 13).

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 crystallise in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1999 (continued)

2. INTEREST RECEIVABLE AND SIMILAR INCOME	1999	1998
	£	£
Bank Interest	6,110	-
Exchange gain on foreign currency borrowings	3,187,952	-
	<u> </u>	<u> </u>
	£3,194,062	-
	<u> </u>	<u> </u>
 3. INTEREST PAYABLE AND SIMILAR CHARGES	 1999	 1998
	£	£
Exchange loss on foreign currency borrowings	-	1,680,516
Interest payable on bank loans and overdrafts	2,889,651	2,516,824
	<u> </u>	<u> </u>
	£2,889,651	£4,197,340
	<u> </u>	<u> </u>
 4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	 1999	 1998
	£	£
(Loss)/profit on ordinary activities before taxation is stated after crediting:		
Exchange gain/(loss) on foreign currency borrowings	<u>£3,187,952</u>	<u>£(1,680,516)</u>

Details of the Directors' remuneration are included in Campbell Distillers Limited financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1999 (continued)

5. TAX CREDIT/(CHARGE) ON PROFIT ON ORDINARY ACTIVITIES	1999 £	1998 £
UK corporation tax credit at 30% (1998 – 31%)	54,590	669,520
Taxation on franked investment income	-	(2,000,000)
Deferred tax credit/(charge)	-	410,000
	<u>£54,590</u>	<u>£(920,480)</u>

No charge to taxation arises in respect of the year (1998: Nil). The company has losses adjusted for taxation purposes of approximately £170,000 (1998: £2,000,000) which are available for surrender to other Group companies. Tax losses are surrendered to other Group companies at full value.

6. FIXED ASSET INVESTMENTS	Subsidiary undertakings £	Trade investments (unlisted) £	Total £
SHARES AT COST			
At 1 January 1999	37,527,315	38,195,321	75,722,636
Revaluation in year	7,349,472	-	7,349,472
	<u>£44,876,787</u>	<u>£38,195,321</u>	<u>£83,072,108</u>
At 31 December 1999	<u>£44,876,787</u>	<u>£38,195,321</u>	<u>£83,072,108</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1999 (continued)

6. FIXED ASSET INVESTMENTS (continued)

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

Subsidiary Undertaking	Principal activity	Country of registration or incorporation	Class of share	Percentage of shares held
<i>Campbell Distillers Limited</i>	Whisky distiller wine and spirit supplier	Scotland	Ordinary	100%
<i>World Brands Duty Free Limited</i>	Duty free spirit supplier	England	Ordinary	100%
<i>Caxton Tower Wines Limited*</i>	Wine supplier and distributor	England	Ordinary	100%
<i>White Heather Distillers*</i>	Investment	Scotland	Ordinary	100%
<i>Malcolm Scott and Company Limited*</i>	Investment company	Scotland	Ordinary	100%

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

Included in trade investments 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 30 November 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. 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1999 (continued)

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1999	1998
	£	£
Amounts owed by group undertakings	30,509,854	32,512,147
Other debtors	27,500	26
Prepayments and accrued income	-	500
Corporation tax recoverable	54,590	-
	£30,591,944	£32,512,673
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1999	1998
	£	£
Bank loans and overdrafts (refer note 10)	52,330,077	25,879,168
Accruals and deferred income	258,012	530,159
	£52,588,089	£26,409,327
9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1999	1998
	£	£
Amounts owed to group undertakings	598,237	-
Bank loans and overdrafts (refer note 10)	-	26,881,720
	£598,237	£26,881,720

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1999 (continued)

10. BANK LOANS	1999	1998
	£	£
Due within 1 year	52,330,077	25,879,168
Due within 1 to 2 years	-	26,881,720
Due within 2 to 5 years	-	-
	£52,330,077	£52,760,888

Bank loans include medium term loans totalling 250,000,000 FRF. These loans are repayable in full in December 2000.

11. DEFERRED TAXATION	1999	1998
	£	£
Short term timing differences	£384,530	£384,530

There are no other unprovided deferred tax liabilities (1998 - £Nil).

12. CALLED UP SHARE CAPITAL	1999	1998
	£	£
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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1999 (continued)

13. EQUITY SHAREHOLDERS' FUNDS

	Share capital £	Share premium account £	Revaluation Reserve £	Profit and Loss Account £	Total 1999 £	Total 1998 £
At 1 January, as previously stated	7,466,666	6,421,469	37,527,315	3,144,282	54,559,732	62,859,965
Prior year adjustments	-	-	-	-	-	(1,790,000)
At 1 January, as restated	7,466,666	6,421,469	37,527,315	3,144,282	54,559,732	61,069,965
Increase/(decrease) in value of investment in subsidiary undertakings	-	-	7,349,472	-	7,349,472	(2,894,553)
Retained profit/(loss) for the year	-	-	-	(1,816,008)	(1,816,008)	(3,615,680)
At 31 December 1999	<u>£7,466,666</u>	<u>£6,421,469</u>	<u>£44,876,787</u>	<u>£1,328,274</u>	<u>£60,093,196</u>	<u>£54,559,732</u>

14. CAPITAL COMMITMENTS

At the end of the year there were no capital commitments contracted for (1998 - £Nil).

15. DEFINED BENEFIT PENSION COMMITMENTS

The most recent actuarial valuation was carried out by Sedgwick Noble Lowndes, an independent qualified actuary, at 5 April 1998 on the Projected Unit method with a five year control period. The main actuarial assumptions were that (a) price inflation of 3% pa, (b) investment return of 6.5% pa, (c) salary increases of 5% pa and (d) pension increases of 3% pa.

The valuation showed that the market value of the assets of the scheme was £21,506,000 and the actuarial value of the assets was sufficient to cover the value of each member's accrued benefits based on projected salaries to the extent of 134%. This surplus should be eliminated over the remaining working life of the existing members at the current employer's contribution rate of 14.7%.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1999 (continued)

16. ULTIMATE HOLDING COMPANY

The ultimate holding company is Pernod Ricard SA, incorporated in France.

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

17. POST BALANCE SHEET EVENT

On 13 September 2000, the company assigned its rights and interests in the bonds issued by Cidrerries et Sopagly Réunies ("CSR") to Pernod Ricard SA for FF 505 million. This disposal was made pursuant to an offer received for Pernod Ricard SA dated 13 June 2000 related to a decision to restructure CSR's business in France. The resulting book gain on the sale of approximately £9 million will be recorded in the 2000 financial year.