

Going the extra mile...

Reports & Financial Statements

For the year ended 31 December 2000

House of Campbell Limited

17607

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M  MAZARS

MAZARS NEVILLE RUSSELL
Chartered Accountants

24 Bevis Marks London EC3A 7NR

HOUSE OF CAMPBELL LIMITED

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COMPANY INFORMATION

DIRECTORS:

T Jacquillat (Chairman)
His Grace the Duke of Argyll (Deceased 20 April 2001)
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 and resigned 12 October 2001)
N Krantz (Appointed 1 October 2001)

SECRETARY:

A Davie

REGISTERED OFFICE:

House of Campbell
West Byrehill
Kilwinning
Ayrshire
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 2000.

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 profit for the year after dividends of £9,136,000 (1999 - £1,700,000) amounted to £7,389,080 (1999 - loss - £1,816,008) 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.

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.

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

22/11/01

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

We have audited the financial statements on pages 5 to 13. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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. 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.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 affairs of the company as at 31 December 2000 and of its profit 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

10 December 2001

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2000

	Notes	2000 £	1999 £
Administrative expenses		(269,846)	(475,009)
OPERATING LOSS		(269,846)	(475,009)
Profit on disposal of fixed asset investments	6	8,716,836	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,446,990	(475,009)
Income from group undertakings		9,136,000	-
Interest receivable and similar income	2	206,280	3,194,062
Interest payable and similar charges	3	(2,377,695)	(2,889,651)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	15,411,575	(170,598)
Tax credit on profit/(loss) on ordinary activities	5	1,113,505	54,590
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		16,525,080	(116,008)
Dividends paid		(9,136,000)	(1,700,000)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	13	£7,389,080	£(1,816,008)

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

The notes on pages 8 to 13 form part of the financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2000

	Notes	2000 £	1999 £
Profit/(loss) for the financial year		7,389,080	(1,816,008)
Unrealised (deficit)/surplus on revaluation of investment in subsidiary undertakings	13	(6,640,821)	7,349,472
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL YEAR		<u>748,259</u>	<u>£5,533,464</u>

BALANCE SHEET as at 31 December 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Investments	6	38,235,966	83,072,108
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	19,160,329	30,591,944
Cash at bank and in hand		3,538,853	-
		<u>22,699,182</u>	<u>30,591,944</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(93,693)	(52,588,089)
NET CURRENT ASSETS		<u>22,605,489</u>	<u>(21,996,145)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>60,841,455</u>	<u>61,075,963</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	-	(598,237)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	-	(384,530)
NET ASSETS		<u>£60,841,455</u>	<u>£60,093,196</u>
CAPITAL AND RESERVES			
Called up share capital	11	7,466,666	7,466,666
Share premium account		6,421,469	6,421,469
Revaluation reserve		38,235,966	44,876,787
Profit and loss account		8,717,354	1,328,274
EQUITY SHAREHOLDERS' FUNDS	12	<u>£60,841,455</u>	<u>£60,093,196</u>

The financial statements on pages 5 to 13 were approved by the directors on 29 November 2001 and signed on their behalf by



Director

The notes on pages 8 to 13 form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2000****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.

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 2000 (continued)

2. INTEREST RECEIVABLE AND SIMILAR INCOME	2000	1999
	£	£
Bank Interest	62,220	6,110
Exchange gain on foreign currency borrowings	144,060	3,187,952
	<u> </u>	<u> </u>
	£206,280	£3,194,062
	<u><u> </u></u>	<u><u> </u></u>

3. INTEREST PAYABLE AND SIMILAR CHARGES	2000	1999
	£	£
Interest payable on bank loans and overdrafts	£2,377,695	£2,889,651
	<u><u> </u></u>	<u><u> </u></u>

4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2000	1999
	£	£
Profit /(loss) on ordinary activities before taxation is stated after crediting:		
Gain on Sale of Investments	8,716,836	-
Exchange gain/(loss) on foreign currency borrowings	144,061	3,187,952
	<u><u> </u></u>	<u><u> </u></u>

No Directors' remuneration was paid by the company during the year. The Directors who were paid, were paid through Campbell Distillers Limited, a subsidiary of the company, therefore, details of the remuneration is included in Campbell Distillers Limited's financial statements.

5. TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES	2000	1999
	£	£
UK corporation tax credit at 30% (1998 – 31%)	728,975	54,590
Deferred tax credit	384,530	-
	<u> </u>	<u> </u>
	£1,113,505	£54,590
	<u><u> </u></u>	<u><u> </u></u>

The company has losses adjusted for taxation purposes of approximately £ 2,441,261 (1999: £170,000) which are available for surrender to other Group companies. Tax losses are surrendered to other Group companies at full value.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

6. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £	Trade investments (unlisted) £	Total £
SHARES AT COST			
At 1 January 2000	44,876,787	38,195,321	83,072,108
Revaluation in year	(6,640,821)	-	(6,640,821)
Disposals in year	-	38,195,321	38,195,321
At 31 December 2000	£38,235,966	-	£38,235,966
	=====	=====	=====

During the year, the company disposed of its interest in the bonds issued by Cidreries et Sopagly Réunies ('CSR'), a fellow subsidiary undertaking of Pernod Ricard SA, resulting in a book gain on disposal of £8,716,836.

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
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	100%
White Heather Distillers*	Investment	Scotland	Ordinary	100%
Malcolm Scott and Company Limited*	Investment company	Scotland	Ordinary	100%

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2000	1999
	£	£
Amounts owed by group undertakings	19,160,329	30,564,444
Other debtors	-	27,500
	£19,160,329	£30,591,944
	=====	=====

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2000	1999
	£	£
Bank loans and overdrafts	-	52,330,077
Accruals and deferred income	93,693	258,012
	£93,693	£52,588,089
	=====	=====

The bank loans are fully repayable within one year.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2000	1999
	£	£
Amounts owed to group undertakings	-	£598,237

10. DEFERRED TAXATION	2000	1999
	£	£
Short term timing differences	£-	£384,530

There are no other unprovided deferred tax liabilities (1999 - £Nil).

11. CALLED UP SHARE CAPITAL

12. EQUITY SHAREHOLDERS' FUNDS

	Share capital £	Share premium account £	Revaluation Reserve £	Profit and Loss Account £	Total 2000 £	Total 1999 £
At 1 January	7,466,666	6,421,469	44,876,787	1,328,274	60,093,196	54,559,732
Increase/(decrease) in value of investment in subsidiary undertakings	-	-	(6,640,821)	-	(6,640,821)	7,349,472
Retained profit/(loss) for the year	-	-	-	7,389,080	7,389,080	(1,816,008)
At 31 December 2000	£7,466,666	£6,421,469	£38,235,966	£8,717,354	£60,841,455	£60,093,196

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2000 (continued)

13. CAPITAL COMMITMENTS

At the end of the year there were no capital commitments contracted for (1999 - £Nil).

14. 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%.

15. 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.