

Sc 17607

Reports & Financial Statements

For the year ended 31 December 2001

House of Campbell Limited



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COMPANIES HOUSE 04/09/02

House of Campbell Limited

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House of Campbell Limited

COMPANY INFORMATION

DIRECTORS: T Jacquillat (Chairman)
His Grace the Duke of Argyll (deceased 20 April 2001)
P Ricard
G Cambournac
A Stewart (resigned 12 October 2001)
N Krantz (appointed 1 October 2001)
A Jetha (appointed 1 August 2002)
A Schofield (appointed 1 August 2002)

SECRETARY: S Macnab

REGISTERED OFFICE: 111/113 Renfrew Road
Paisley
Renfrewshire
PA3 4DY

REGISTERED NUMBER: 17607 Scotland

AUDITORS: Mazars Neville Russell
24 Bevis Marks
London
EC3A 7NR

House of Campbell Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2001.

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 loss for the year after dividends of £3,887,000 (2000 - £9,136,000) amounted to £76,143 (2000 – profit - £7,389,080) which is taken to reserves.

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.

POST BALANCE SHEET EVENTS

As a consequence of the acquisition by Pernod Ricard SA of certain parts of the Seagram Spirits and Wines Group on 21 December 2001, the activities of the company's subsidiaries were reorganised. On 1 January 2002, Campbell Distillers Limited transferred its UK spirits distribution business to its wholly owned subsidiary, Pernod Ricard UK Limited. On 24 May 2002, the remaining operations of Campbell Distillers Limited were transferred to Chivas Brothers Limited (as a result of the above acquisition, this company is now a fellow subsidiary undertaking). At the same time, Campbell Distillers Limited transferred its investment in Pernod Ricard UK Limited to House of Campbell Limited.

House of Campbell Limited

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.



S Macnab
Company Secretary

20 August 2002

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

We have audited the financial statements on pages 5 to 15. 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 Directors' 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 2001 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

22/8/02

House of Campbell Limited

Profit and Loss Account

For the year ended 31 December 2001

	Notes	2001 £	2000 £
Administrative expenses		(150,472)	(269,846)
OPERATING LOSS		(150,472)	(269,846)
Profit on disposal of fixed asset investments	6	-	8,716,836
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(150,472)	8,446,990
Income from shares in group undertakings		3,887,000	9,136,000
Interest receivable and similar income	2	76,665	206,280
Interest payable and similar charges	3	(2,336)	(2,377,695)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	3,810,857	15,411,575
Tax on profit on ordinary activities	5	-	1,113,505
PROFIT FOR THE FINANCIAL YEAR		3,810,857	16,525,080
Dividends paid	6	(3,887,000)	(9,136,000)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	£(76,143)	£7,389,080

The operating (loss)/profit arises solely from continuing operations.

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

House of Campbell Limited

Statement of Total Recognised Gains and Losses For the year ended 31 December 2001

	Notes	2001 £	2000 £
(Loss)/profit for the financial year		(76,143)	7,389,080
Unrealised deficit on revaluation of investment in subsidiary undertakings	11	(3,833,287)	(6,640,821)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL YEAR		<u>£(3,909,430)</u>	<u>£748,259</u>

House of Campbell Limited

Balance Sheet

As at 31 December 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Investments	7	34,402,679	38,235,966
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	22,509,859	19,160,329
Cash at bank and in hand		132,476	3,538,853
		<u>22,642,335</u>	<u>22,699,182</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(112,989)	(93,693)
NET CURRENT ASSETS		<u>22,529,346</u>	<u>22,605,489</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>56,932,025</u>	<u>60,841,455</u>
NET ASSETS		<u><u>£56,932,025</u></u>	<u><u>£60,841,455</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	7,466,666	7,466,666
Share premium account		6,421,469	6,421,469
Revaluation reserve		34,402,679	38,235,966
Profit and loss account		8,641,211	8,717,354
EQUITY SHAREHOLDERS' FUNDS	11	<u><u>£56,932,025</u></u>	<u><u>£60,841,455</u></u>

The financial statements on pages 5 to 15 were approved by the directors on 20 August 2002 and signed on their behalf by



A Schofield
Director

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

House of Campbell Limited

Notes to the Financial Statements For the year ended 31 December 2001

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.

Group Accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts or a cash flow statement as it is exempt from the requirement to do so by Section 228 of the Companies Act 1985 as it is a wholly owned subsidiary of Pernod Ricard SA, a company incorporated in France, and is included in the consolidated accounts of that company.

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 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.

Pension costs

The company participates in a defined benefit pension scheme for its employees operated by Campbell Distillers Limited. 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. 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 company by Scottish Widows Fund and Life Assurance Society.

The company has adopted the transitional requirements of Financial Reporting Standard 17, Retirement Benefits, in 2001 and has disclosed the required information at note 12.

House of Campbell Limited

Notes to the Financial Statements For the year ended 31 December 2001

2. INTEREST RECEIVABLE AND SIMILAR INCOME	2001 £	2000 £
Bank Interest	76,665	62,220
Exchange gain on foreign currency borrowings	-	144,060
	<u>£76,665</u>	<u>£206,280</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES	2001 £	2000 £
Interest payable on bank loans and overdrafts	<u>£2,336</u>	<u>£2,377,695</u>

4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2001 £	2000 £
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
	<u>=====</u>	<u>=====</u>

No Directors' remuneration was paid by the company during the year. Four of the Directors, who are also directors of the company's subsidiaries Campbell Distillers Limited, World Brands Duty Free Limited and Pernod Ricard UK Limited, received total emoluments of £765,313 from Campbell Distillers Limited during the year; it is not practical to allocate this between their services as executives of the company, World Brands Duty Free Limited, Pernod Ricard UK Limited and Campbell Distillers Limited. Retirement benefits are accruing to two (2001 – nil) directors under a defined benefit pension scheme.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES	2001 £	2000 £
UK corporation tax credit at 30% (2000 – 30%)	-	728,975
Deferred tax credit	-	384,530
	<u>£-</u>	<u>£1,113,505</u>

The company has losses adjusted for taxation purposes of approximately £ 76,143 (2000: £2,441,261) which are available for surrender to other Group companies.

House of Campbell Limited

Notes to the Financial Statements For the year ended 31 December 2001

6. DIVIDEND

	2001 £	2000 £
Interim dividends paid	£3,887,000 =====	£9,136,000 =====

7. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £
SHARES AT VALUATION	
At 1 January 2001	38,235,966
Revaluation in year	(3,833,287)
Disposals in year	-

At 31 December 2001	£34,402,679 =====

House of Campbell Limited

Notes to the Financial Statements For the year ended 31 December 2001

7. 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
Campbell Distillers Limited	Whisky distiller wine and spirit supplier	Scotland	Ordinary	100%
World Brands Duty Free Limited	Duty free spirit supplier	England	Ordinary	100%
Pernod Ricard UK Ltd (formerly Caxton Tower Wines Limited)	Wine supplier and distributor	England	Ordinary	100%
Aberlour Glenlivet Distillery Company Ltd	Dormant	Scotland	Ordinary	100%
Duncan Fraser & Co Ltd	Dormant	Scotland	Ordinary	100%
Muir Mackenzie & Co Ltd	Dormant	Scotland	Ordinary	100%
White Heather Distillers Ltd*	Investment	Scotland	Ordinary	100%
Edradour Distillery Co Ltd*	Dormant	Scotland	Ordinary	100%
William Whiteley & Co Ltd*	Dormant	Scotland	Ordinary	100%
Glenforres Glenlivet Distillery Co Ltd*	Dormant	Scotland	Ordinary	100%
Malcolm Scott and Company Limited*	Investment company	Scotland	Ordinary	100%
William Whiteley & Company Inc*	Dormant	United States	Ordinary	100%

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

On 24 May 2002, Campbell Distillers Limited transferred their investment in Pernod Ricard UK Limited to House of Campbell Limited.

House of Campbell Limited

Notes to the Financial Statements For the year ended 31 December 2001

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001 £	2000 £
Amounts owed by group undertakings	£22,509,859 =====	£19,160,329 =====
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001 £	2000 £
Accruals and deferred income	£112,989 =====	£93,693 =====
10. CALLED UP SHARE CAPITAL	2001 £	2000 £
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 31 December 2001

11. EQUITY SHAREHOLDERS' FUNDS

	Share capital £	Share premium account £	Revaluation Reserve £	Profit and Loss Account £	Total 2001 £	Total 2000 £
At 1 January 2001	7,466,666	6,421,469	38,235,966	8,717,354	60,841,455	60,093,196
Increase/(decrease) in value of investment in subsidiary undertakings	-	-	(3,833,287)	-	(3,833,287)	(6,640,821)
Retained profit/(loss) for the year	-	-	-	(76,143)	(76,143)	7,389,080
At 31 December 2001	<u>£7,466,666</u>	<u>£6,421,469</u>	<u>£34,402,679</u>	<u>£8,641,211</u>	<u>£56,572,025</u>	<u>£60,841,455</u>

12. CAPITAL COMMITMENTS

At the end of the year there were no capital commitments contracted for (2000 - £Nil).

House of Campbell Limited

Notes to the Financial Statements For the year ended 31 December 2001

13. DEFINED BENEFIT PENSION COMMITMENTS

As detailed in the accounting policies, the company participates in a defined benefit pension scheme operated by Campbell Distillers Limited. The company can not allocate the assets or liabilities of the scheme which relate only to House of Campbell Limited, therefore, the following valuations and disclosures relate to the entire group scheme operated by Campbell Distillers Limited.

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.

This 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%.

Retirement Benefits – FRS 17 Transitional Disclosure

Financial Reporting Standard 17 Retirement Benefits ("FRS 17") will change fundamentally the calculation and reporting of the cost of retirement benefits. The defined benefit element of scheme was valued, using the basis prescribed by FRS 17.

The principal assumptions used by the independent qualified actuary in updating the most recent valuation to 31 December 2001 for FRS 17 purposes were:

Discount rate	6.00%
Retail price inflation	2.50%
Rate of increase in salaries	3.50%
Rate of increase for pensions in payment (Limited price indexation)	2.50%

The expected rates of return and the assets in the scheme at 31 December 2001 were:

	Long term rate of return	Value £000
Equities	7.50%	18,705
Bonds	4.60%	4,676
Total market value of assets		23,381
Actuarial present value of scheme liability		(23,226)
Net pension assets		155
		£000
Total group contributions into scheme in 2001		351

House of Campbell Limited

Notes to the Financial Statements For the year ended 31 December 2001

14. 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.