

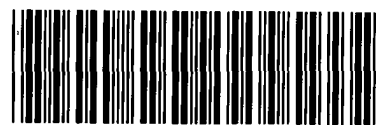
Carlsberg Chongqing Limited

Annual report and financial statements

Registered number 03066942

31 December 2016

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Directors' report

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activities

The Company's principal business activity is that of an investment holding company for a subsidiary undertaking that produces, delivers and sells beer and other alcoholic beverages primarily in the Chinese market.

Results and dividends

The profit for the period, after taxation, amounted to £1,227,843 (2015: £1,058,375).

No dividends were paid or proposed in the period.

Directors

The directors who held office during the year were as follows:

Julian Momen

Jeremy Brown

Ulrik Andersen

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2015: nil).

Employees

The company had no employees during the year (2015: nil).

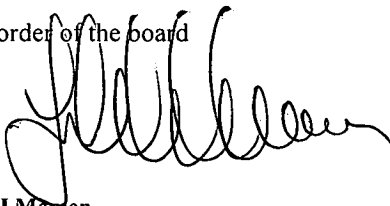
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Following a group wide audit tender PricewaterhouseCoopers have been selected as group auditors for the December 2017 year end and therefore KPMG will resign as auditors of Carlsberg.

By order of the board



Mr J Momen
Director

Date: 25th September 2017

Jacobsen House
140 Bridge Street
Northampton
NN1 1PZ

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility 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.



Altius house
One North Fourth Street
Milton Keynes
MK9 1NE

Independent auditor's report to the members of Carlsberg Chongqing Limited

We have audited the financial statements of Carlsberg Chongqing Limited for the year ended 31 December 2016 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

- Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:
- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Aimie Keki

Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Date 28th September 2017

Profit and Loss Account and Other Comprehensive Income

For the year ended 31 December 2016

	<i>Note</i>	2016 £	2015 £
Income from shares in group undertakings	4	1,932,750	1,737,150
Other interest receivable and similar income	5	-	710
Interest payable and similar charges	6	(511,632)	(505,770)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,421,118	1,232,090
Tax on profit on ordinary activities	7	(193,275)	(173,715)
		<hr/>	<hr/>
Profit for the financial year		1,227,843	1,058,375
		<hr/> <hr/>	<hr/> <hr/>

All of the above amounts relate to continuing operations.

There is no other comprehensive income for 2016 or 2015 other than that recorded in the Profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

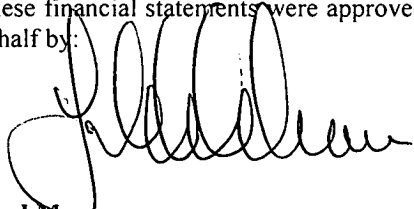
Balance Sheet

At 31 December 2016

	<i>Note</i>	2016 £	2015 £
Fixed assets			
Investments	8	41,109,922	41,109,922
Creditors: amounts falling due within one year	9	(32,445,671)	(33,673,514)
Net current liabilities		(32,445,671)	(33,673,514)
Net assets		8,664,251	7,436,408
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		8,664,250	7,436,407
Shareholders' funds		8,664,251	7,436,408

The notes on pages 8 to 12 form part of these financial statements.

These financial statements were approved by the board of directors on 25th September 2017 and were signed on its behalf by:



Mr J Momen
Director

Company registered number: 3066942

Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2015	1	6,378,032	6,378,033
Profit for the year ended 31 December 2015	-	1,058,375	1,058,375
Balance at 31 December 2015	1	7,436,407	7,436,408

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2016	1	7,436,407	7,436,408
Profit for the year ended 31 December 2016	-	1,227,843	1,227,843
Balance at 31 December 2016	1	8,664,250	8,664,251

The notes on pages 8 to 12 form part of these financial statements.

There was no other income other than that recorded in the Profit and loss account.

Notes

(forming part of the financial statements)

1 Accounting policies

Carlsberg Chongqing Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company’s ultimate parent undertaking, Carlsberg A/S includes the Company in its consolidated financial statements. The consolidated financial statements of Carlsberg A/S are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from The Information Centre, Carlsberg A/S, 100 Ny Carlsberg Vej, DK-1799 Copenhagen V, Denmark. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Carlsberg A/S include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

These financial statements have been prepared on the basis that the company can continue to trade as a going concern, despite having current net liabilities of £32,445,671 (2015: £33,673,514). For this basis to apply, the Company is dependent upon the continued support that its parent company has undertaken to provide for the foreseeable future.

Notes (continued)

1 Accounting policies (continued)

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

A provision is made for impaired fixed assets when its carrying amount exceeds its recoverable amount caused by a clear consumption of economic benefits or a revision of the assumption of the assets future economic benefit to the business. An assets recoverable amount is defined as the higher of net realisable value less costs to sell and value in use.

1.7 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

2 Expenses and auditor's remuneration

The Company audit fee of £2,000 (2015: £2,000) was borne by another group company.

3 Staff numbers and costs

The Company has no employees other than the directors, who did not receive any remuneration (2015: £nil).

Notes (continued)

4 Income from other fixed asset investments

	2016 £	2015 £
Dividend income on financial assets	1,932,750	1,737,150

5 Other interest receivable and similar income

	2016 £	2015 £
Exchange gains receivable from group undertakings	-	710

6 Interest payable and similar charges

	2016 £	2015 £
Exchange losses receivable from group undertakings	22,480	-
Interest payable to group undertakings	489,152	505,770
Total interest payable and similar charges	511,632	505,770

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £	2015 £
Current tax	193,275	173,715

Analysis of current tax recognised in profit and loss

	2016 £	2015 £
UK corporation tax	-	-
Foreign tax	193,275	173,715
Total current tax recognised in profit and loss	193,275	173,715

Notes (continued)

7 Taxation (continued)

Reconciliation of effective tax rate

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The difference is explained below:

	2016 £	2015 £
Profit before tax	1,421,118	1,232,090
Total tax expense	(193,275)	(173,715)
Profit after taxation	1,227,843	1,058,375
Tax using the UK corporation tax rate of 20% (2015:20.25 %)	284,224	249,498
Non-taxable dividend income	(193,275)	(178,058)
Group relief	102,326	102,275
Total tax expense included in profit or loss	193,275	173,715

Factors that may affect future tax charges

The current tax rate for the year ended 31 December 2016 is 20%, reducing to 19% for periods after 1 April 2017. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. In the Budget on 16 March 2016, the Chancellor announced a further planned reduction to 17% for the year starting after 1 April 2020. This will reduce the Company's future current tax charge accordingly.

8 Fixed asset investments

	Investments in associates £
Cost	
At 1 January 2016 and 31 December 2016	41,109,922
Net book value	
At 31 December 2016	41,109,922
At 31 December 2015	41,109,922

The Company has the following investments in associates:

	Country of incorporation	Class of shares held	Ownership 2016 %	Ownership 2015 %
Chongqing Brewery Company Limited	China	Ordinary	17.46	17.46

Notes (continued)

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	32,445,671	33,673,514
	<u> </u>	<u> </u>

10 Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
1 ordinary shares of £1 each	1	1
	<u> </u>	<u> </u>

11 Related parties

The Company is a wholly owned subsidiary of Carlsberg Breweries A/S. Advantage has therefore been taken of the exemption not to report transactions with other group members as permitted by FRS 102 section 33.1A.

12 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Carlsberg Breweries A/S. The ultimate controlling party is Carlsberg A/S.

The largest group in which the results of the Company are consolidated is that headed by Carlsberg A/S, incorporated in Denmark. The consolidated financial statements of these groups are available to the public and may be obtained from The Information Centre, Carlsberg A/S, 100 Ny Carlsberg Vej, DK-1760, Copenhagen V, Denmark.