

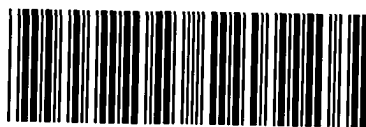
Carlsberg Chongqing Limited

Annual report and financial statements

Registered number 03066942

31 December 2017

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Directors' report

The directors present their report and the financial statements for the year ended 31 December 2017.

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 year, after taxation, amounted to £6,545,610 (2016: £1,227,843).

No dividends were paid or proposed in the year.

The net assets as at 31 December are £15,209,861 (2016: £8,664,251)

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr J Momen

Mr J Brown

Mr U Andersen

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2016: nil).

Employees

The company had no employees other than directors during the year (2016: nil).

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision on as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Mr J Momen

Director

Date: 24 September 2018

140 Bridge Street
Northampton
NN1 1PZ

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

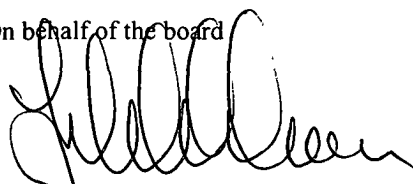
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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.

The directors 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.

On behalf of the board



Mr J Momen
Director

Date: 24 September 2018

Independent auditors' report to the members of Carlsberg Chongqing Limited

Report on the audit of the financial statements

Opinion

In our opinion, Carlsberg Chongqing Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; Profit and Loss Account; and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on

Independent auditors' report to the members of Carlsberg Chongqing Limited (continued)

Reporting on other information (continued)

the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

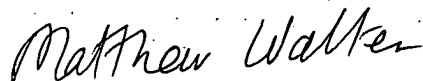
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Carlsberg Chongqing Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

24 September 2018

Profit and Loss Account
For the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Income from other fixed asset investments	4	7,679,723	1,932,750
Interest payable and similar expenses	5	(366,141)	(511,632)
		<hr/>	<hr/>
Profit before taxation		7,313,582	1,421,118
Taxation on profit on ordinary activities	6	(767,972)	(193,275)
		<hr/>	<hr/>
Profit for the financial year		6,545,610	1,227,843
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All of the above amounts relate to continuing operations.

There is no other comprehensive income for 2017 or 2016 other than that recorded in the Profit and loss account.

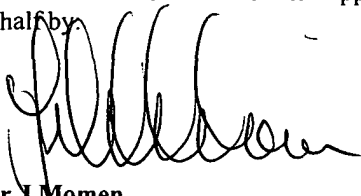
The notes on pages 9 to 13 form part of these financial statements.

Balance Sheet
At 31 December 2017

	<i>Note</i>	2017 £	2016 £
Fixed assets			
Fixed assets investments	7	41,109,922	41,109,922
Creditors: amounts falling due within one year	8	(25,900,061)	(32,445,671)
Net current liabilities		(25,900,061)	(32,445,671)
Net assets		15,209,861	8,664,251
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		15,209,860	8,664,250
Total Shareholders' funds		15,209,861	8,664,251

The notes on pages 9 to 13 form part of these financial statements.

These financial statements were approved by the board of directors on 24 September 2018 and were signed on its behalf by:



Mr J. Momen
Director

Company registered number: 03066942

Statement of Changes in Equity

For the year ended 31 December 2017

	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

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2017	1	8,664,250	8,664,251
Profit for the year ended 31 December 2017	-	6,545,610	6,545,610
Balance at 31 December 2017	1	15,209,860	15,209,861

The notes on pages 9 to 13 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2017

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 and the Companies Act 2006. 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 £25,900,061 (2016: £32,445,671). 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.

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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

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.

1.5 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.

1.6 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.

1.7 Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. We do not believe any there are any estimates that have a significant effect on amounts recognised in the financial statements

2 Expenses and auditors' remuneration

The Company audit fee of £2,000 (2016: £2,000) was borne by another group company.

3 Staff numbers and costs

The Company has no employees other than the directors (2016: nil), who did not receive any remuneration (2016: £nil).

Directors emoluments are borne by another group company and no recharge is made for services to this company.

Notes to the financial statements (continued)

4 Income from shares in group undertakings

	2017 £	2016 £
Dividend income from associates	7,679,723	1,932,750

5 Interest payable and similar expenses

	2017 £	2016 £
Exchange losses receivable from group undertakings	-	22,480
Interest payable to group undertakings	366,141	489,152
Total interest payable and similar expenses	366,141	511,632

6 Taxation on profit on ordinary activities

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

	2017 £	2016 £
Current tax	767,972	193,275

Analysis of tax recognised in profit and loss

	2017 £	2016 £
Foreign tax	767,972	193,275
Total tax recognised in profit and loss	767,972	193,275

Notes to the financial statements (continued)

6 Taxation on profit on ordinary activities (continued)

Reconciliation of effective tax rate

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.25% (2016:20%). The difference is explained below:

	2017 £	2016 £
Profit before taxation	7,313,582	1,421,118
Tax using the UK corporation tax rate of 19.25% (2016:20 %)	1,407,865	284,224
Non-taxable dividend income	(767,972)	(193,275)
Group relief	128,079	102,326
	<hr/>	<hr/>
Total tax expense included in profit or loss	767,972	193,275
	<hr/>	<hr/>

Factors that may affect future tax charges

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

7 Investments

	Investments in associates £
Cost	
At 1 January 2017 and 31 December 2017	41,109,922
	<hr/>
Net book value	
At 31 December 2017	41,109,922
	<hr/>
At 31 December 2016	41,109,922
	<hr/>

The Company has the following investments in associates:

	Country of incorporation	Class of shares held	Ownership 2017 %	Ownership 2016 %
Chongqing Brewery Company Limited	China	Ordinary	17.46	17.46

Chongqing Brewery Company Limited registered address is No.9 East Heng Shan Road, Dazhulin, North New Zone, Chongqing, PRC China.

Notes to the financial statements *(continued)*

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	25,900,061	32,445,671

The above amount is unsecured and repayable on demand with interest charged at 0.75% above GBP Libor.

9 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
1 (2016: 1) ordinary shares of £1 each	1	1

10 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.

11 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 this group 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.