

REGISTERED NUMBER 04222745 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
GEO G. SANDEMAN SONS & CO., LIMITED

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GEO G SANDEMAN SONS & CO , LIMITED

COMPANY INFORMATION
for the year ended 31 December 2012

DIRECTORS.

T Billot
F C Guedes
S C Guedes
P Pringuet
F J G V Souto

SECRETARY

J Antunes

REGISTERED OFFICE:

400 Capability Green
Luton
Bedfordshire
LU1 3AE

REGISTERED NUMBER:

04222745 (England and Wales)

AUDITOR.

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

REPORT OF THE DIRECTORS
for the year ended 31 December 2012

The directors present their report together with the financial statements of the company for the year ended 31 December 2012

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

PRINCIPAL ACTIVITY

During the year ended 31 December 2012, the company received income from the intellectual property rights to a number of trade marks of brands of drinks. The profit for the year, after taxation, was €375,806 (2011 €267,317). A final dividend of €267,317 in respect of 2011 was paid in the year and a dividend of €375,806 is recommended in respect of 2012.

For the year 2013 the directors anticipate the company to develop its business in the same terms as during the year 2012.

DIRECTORS

The directors who held office throughout the year are shown on page 1.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

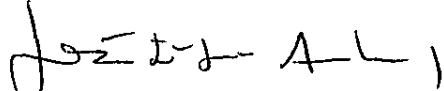
GEO G SANDEMAN SONS & CO , LIMITED (REGISTERED NUMBER 04222745)

REPORT OF THE DIRECTORS
for the year ended 31 December 2012

AUDITOR

The auditor, Deloitte LLP, have indicated their willingness to be reappointed for another term and appropriate arrangements will be put in place for them to be deemed reappointed as auditor

BY ORDER OF THE BOARD.



J Antunes - Secretary

22 February 2013

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
GEO G. SANDEMAN SONS & CO , LIMITED

We have audited the financial statements of Geo G Sandeman Sons & Co , Limited for the year ended 31 December 2012 on pages six to eleven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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 auditors

As explained more fully in the Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

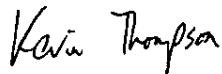
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GEO G. SANDEMAN SONS & CO , LIMITED

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



Kevin Thompson (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

19 March 2013

GEO G SANDEMAN SONS & CO , LIMITED (REGISTERED NUMBER 04222745)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	Notes	2012 €	2011 €
TURNOVER	2	1,524,376	1,511,721
Marketing expenses		(850,000)	(985,000)
Administrative expenses		<u>(178,634)</u>	<u>(167,961)</u>
OPERATING PROFIT	3	495,742	358,760
Interest receivable and similar income		<u>1,969</u>	<u>4,937</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		497,711	363,697
Tax on profit on ordinary activities	4	<u>(121,905)</u>	<u>(96,380)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>375,806</u>	<u>267,317</u>

TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the profit or loss for the period

CONTINUING OPERATIONS

All of the results are derived from continuing operations

The notes on pages 8 to 11 form part of these financial statements

GEO G SANDEMAN SONS & CO , LIMITED (REGISTERED NUMBER 04222745)

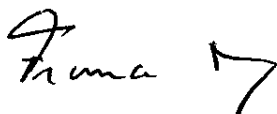
BALANCE SHEET

As at 31 December 2012

	Notes	2012 €	2011 €
FIXED ASSETS			
Intangible assets	5	-	-
CURRENT ASSETS			
Debtors	6	356,006	535,147
Cash at bank		<u>539,538</u>	<u>74,627</u>
		895,544	609,774
CREDITORS			
Amounts falling due within one year	7	<u>(518,178)</u>	<u>(340,897)</u>
NET CURRENT ASSETS		<u>377,366</u>	<u>268,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>377,366</u>	<u>268,877</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,560	1,560
Profit and loss account	9	<u>375,806</u>	<u>267,317</u>
SHAREHOLDERS' FUNDS		<u>377,366</u>	<u>268,877</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 22 February 2013 and were signed on its behalf by



F J G V Souto - Director

The notes on pages 8 to 11 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company continues to receive income from the intellectual property rights to a number of trademarks of brands of drinks. Based on a review of future forecasts the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and as a result the going concern basis has continued to be adopted in preparing the financial statements

Accounts preparation

The financial statements have been prepared in Euros as this is the functional currency of the company

The accounting policies have been applied consistently in the current and previous year

Cash flow statement

A cash flow statement has not been prepared as the company is a subsidiary undertaking of Sogrape SGPS, SA, a company established in the European Union, which prepares Group accounts which incorporate the cash flows of the company

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost and amortised on a straight line basis over their useful economic lives of three years

Current taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into euros at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result. The exchange rate at the balance sheet date was £1 = €1 22534

Dividends

FRS 21 "Events after the Balance Sheet Date" states that final dividends declared and approved by the company after the balance sheet date should not be recognised as a liability of the company at the balance sheet date, and interim dividends cannot be included in the accounts until paid. As a result, the dividends shown in note 9 are those approved and paid in the year

2 TURNOVER

In 2012 the company had turnover of €1,524,376 (2011 €1,511,721) which represents licence fees receivable and arises from companies in the European Union. Turnover is recognised in the period in which the underlying collected sale of the licensed product is made by the respective company

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2012

3 OPERATING PROFIT

	2012 €	2011 €
Operating profit is stated after charging		
Fees payable to the company's auditor for the audit of the company's annual accounts	7,980	7,350
Foreign exchange losses	<u>285</u>	<u>1,404</u>

The company had no employees during the current or preceding year other than its directors who received no remuneration for services to the company during the current or previous year

4 TAXATION

	2012 €	2011 €
Current tax		
UK corporation tax		
UK corporation tax on profits for the year	121,926	96,380
Adjustments in respect of previous years	(21)	-
Double taxation relief	<u>(85,350)</u>	<u>(88,677)</u>
	36,555	7,703
Foreign tax		
Current year	<u>85,350</u>	<u>88,677</u>
Total current tax	<u>121,905</u>	<u>96,380</u>
Factors affecting the current tax		
Profit on ordinary activities before taxation	<u>497,711</u>	<u>363,697</u>
Tax at effective standard rate of 24.5% (2011: 26.5%)	121,926	96,380
Adjustments in respect of previous years	<u>(21)</u>	<u>-</u>
Total current tax	<u>121,905</u>	<u>96,380</u>

There are no unprovided deferred tax amounts (2011: €nil)

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NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2012

5 INTANGIBLE FIXED ASSETS

	Trademarks €
COST	
At 1 January 2012	
and 31 December 2012	<u>7,314</u>
AMORTISATION	
At 1 January 2012	
and 31 December 2012	<u>7,314</u>
NET BOOK VALUE	
At 31 December 2012	<u>-</u>
At 31 December 2011	<u>-</u>

6 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 €	2011 €
Amounts owed by group undertakings	351,652	421,206
Other debtors	4,354	-
Tax recoverable	<u>-</u>	<u>113,941</u>
	<u>356,006</u>	<u>535,147</u>

During the year, the tax recoverable as at 31 December 2011, was recovered in full from the Portuguese Tax Authorities

7 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 €	2011 €
Amounts owed to group undertakings	442,240	256,408
Corporation tax	34,812	7,703
Other creditors	1,103	5,357
Accrued expenses	<u>40,023</u>	<u>71,429</u>
	<u>518,178</u>	<u>340,897</u>

Amounts owed to group undertakings are interest free, with no security and no fixed repayment terms

8 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2012 €	2011 €
1,000	Ordinary		<u>1,560</u>	<u>1,560</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2012

9 RESERVES

	Share capital €	Profit and Loss Account €	Total €
At 31 December 2010	1,560	231,949	233,509
Profit for the year	-	267,317	267,317
Dividend	-	(231,949)	(231,949)
At 31 December 2011	1,560	267,317	268,877
Profit for the year	-	375,806	375,806
Dividend	-	(267,317)	(267,317)
At 31 December 2012	<u>1,560</u>	<u>375,806</u>	<u>377,366</u>

Dividends of €267,317 have been approved and paid during the year. A dividend of €375,806 is recommended in respect of 2012.

10 RELATED PARTY DISCLOSURES

During the year the company charged €182,614 (2011: €261,791) to Sandeman Jerez, a related subsidiary undertaking and €1,341,762 (2011: €1,249,930) to Sogrape Vinhos S.A., a related group undertaking, in respect of licence fees receivable. Sogrape Vinhos S.A., a related group undertaking, paid administrative expenses of €112 (2011: €332) on the company's behalf. Sogrape Vinhos S.A. charged €12,504 (2011: €12,500) for management fees and €850,000 (2011: €985,000) for marketing expenses. At 31 December 2012 the amount due from Sandeman Jerez was €49,662 (2011: €60,134) and from Sogrape Vinhos S.A. was €301,990 (2011: €361,072) and the amount due to Sandeman Jerez was €nil (2011: €nil) and to Sogrape Vinhos S.A. was €442,240 (2011: €256,408).

11 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking is IW Investment S.A., registered in Luxembourg, and the group company preparing consolidated accounts, which are publicly available and which include Geo G Sandeman Sons & Co., Limited is Sogrape SGPS, S.A., a company registered in Portugal, whose accounts may be obtained from Lugar da Aldeia Nova, Apartado 3032, 4431-852 Avintes, Vila Nova de Gaia, Portugal. Its ultimate holding parent company and controlling party is GUESI - Comercio e Servicos, S.A., registered in Portugal.

GUESI - Comercio e Servicos, S.A. is the largest and Sogrape SGPS, S.A. is the smallest undertaking to include the results of Geo G Sandeman Sons & Co., Limited.