

REGISTERED NUMBER: 04222745 (England and Wales)

ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
GEO G. SANDEMAN SONS & CO., LIMITED

TUESDAY



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

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for the year ended 31 December 2015

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GEO G. SANDEMAN SONS & CO., LIMITED

COMPANY INFORMATION
for the year ended 31 December 2015

DIRECTORS:

F C Guedes
R J R B Martins
A B C Ricard
G P F Bogaert
J R L G Da Silva

SECRETARY:

J Antunes

REGISTERED OFFICE:

400 Capability Green
Luton
Bedfordshire
LU1 3AE

REGISTERED NUMBER:

04222745 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
3 Forbury Place
23 Forbury Road
Reading
Berkshire
RG1 3JH

REPORT OF THE DIRECTORS
for the year ended 31 December 2015

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

During the year ended 31 December 2015, the company received income from the intellectual property rights to a number of trade marks of brands of drinks. The profit for the financial year was €239,496 (2014: €299,159). A final dividend of €149,579 in respect of 2014 was paid in the year and a dividend of €119,748 is recommended in respect of 2015.

For the year 2016, the directors anticipate the company to continue its business in the same terms as during the year 2015.

DIRECTORS

The directors who have held office during the period from 1 January 2015 to the date of this report, except as otherwise noted, are as follows:

T Billot - resigned 11 February 2015
F C Guedes
S C Guedes - resigned 11 February 2015
P Pringuet - resigned 11 February 2015
R J R B Martins
A B C Ricard - appointed 11 February 2015
G P F Bogaert - appointed 11 February 2015
J R L G Da Silva - appointed 11 February 2015

TRANSITION TO FRS 102

During the year the company transitioned from UK GAAP to New UK GAAP Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and has taken advantage of the disclosure exemptions allowed under this standard. The prior year comparatives have also been re-stated under the new standards. The Company's parent undertakings IW Investment S.A. and Pernod Ricard S.A. were notified of this and did not object to the use of FRS 102 and there were no material recognition or measurement differences arising on the adoption of FRS 102. Further information on the impact can be found in Note 17.

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102).

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 United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

REPORT OF THE DIRECTORS
for the year ended 31 December 2015

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 auditors are 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.

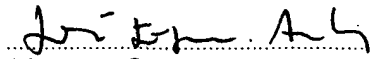
INDEPENDENT AUDITORS

During the year Deloitte LLP resigned as auditors of the company. PricewaterhouseCoopers LLP were proposed to fill a casual vacancy in accordance with section 485 of the Companies Act 2006.

PricewaterhouseCoopers LLP has expressed its willingness to be appointed for another term and appropriate arrangements have been put in place for them to be proposed for re-appointment.

This report has been prepared in accordance with the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 (SI2008/409) and the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The directors have also taken exemption under section 414 (B) not to prepare a Strategic Report.

BY ORDER OF THE BOARD:


.....
J Antunes - Secretary

Date: 9th March 2016

Independent auditors' report to the members of Geo G. Sandeman Sons & Co., Limited

Report on the financial statements

Our opinion

In our opinion, Geo G. Sandeman Sons & Co., Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Geo G. Sandeman Sons & Co., 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: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Daniel Dennett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
29 March 2016

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2015

	Notes	2015 €	2014 €
TURNOVER	3	1,271,304	1,305,403
Marketing expenses		(800,000)	(786,036)
Administrative expenses		<u>(171,657)</u>	<u>(140,404)</u>
OPERATING PROFIT	5	299,647	378,963
Interest receivable and similar income	6	710	2,110
Interest payable and similar charges	7	<u>(62)</u>	<u>(12)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		300,295	381,061
Tax on profit on ordinary activities	8	<u>(60,799)</u>	<u>(81,902)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>239,496</u>	<u>299,159</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>239,496</u>	<u>299,159</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	2015 €	2014 €
FIXED ASSETS			
Intangible assets	10		
CURRENT ASSETS			
Debtors	11	313,815	440,703
Cash at bank and in hand	12	<u>284,538</u>	<u>154,838</u>
		598,353	595,541
CREDITORS			
Amounts falling due within one year	13	<u>(207,717)</u>	<u>(294,822)</u>
NET CURRENT ASSETS		<u>390,636</u>	<u>300,719</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>390,636</u>	<u>300,719</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,560	1,560
Retained earnings		<u>389,076</u>	<u>299,159</u>
TOTAL SHAREHOLDERS' FUNDS		<u>390,636</u>	<u>300,719</u>

The financial statements on pages 6 to 8 were approved by the Board of Directors on 9th March 2016 and were signed on its behalf by:


 F C Guedes - Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

	Called up share capital €	Retained earnings €	Total equity €
Balance at 1 January 2014	1,560	353,974	355,534
Changes in shareholders' funds			
Dividends	-	(353,974)	(353,974)
Total comprehensive income	-	299,159	299,159
Balance at 31 December 2014	<u>1,560</u>	<u>299,159</u>	<u>300,719</u>
Changes in shareholders' funds			
Dividends	-	(149,579)	(149,579)
Total comprehensive income	-	239,496	239,496
Balance at 31 December 2015	<u>1,560</u>	<u>389,076</u>	<u>390,636</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2015

1. GENERAL INFORMATION

Geo G. Sandeman Sons & Co., Limited ("the company") is a private limited company incorporated and domiciled in England and Wales. The address of its registered office is 400 Capability Green, Luton, LU1 3AE.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparing the financial statements

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision for Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 (SI2008/409).

The financial statements have been prepared under the historical cost convention.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 17 for an explanation of the transition.

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.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A.

Foreign currencies

The functional and presentational currency of the company is Euros. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange ruling at the statement of financial position 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.

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 statement of financial position date.

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.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and are subject to an insignificant risk of changes in value.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Dividends

Final dividends declared and approved by the company after the statement of financial position date are not recognised as a liability of the company at the statement of financial position date, and interim dividends are not included in the accounts until paid. The dividends shown in note 9 are those approved and paid in the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2015

3. TURNOVER

In 2015 the company had turnover of €1,271,304 (2014: €1,305,403) 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.

4. STAFF COSTS

The company had no employees during the current or previous year. Consequently, there were no staff costs for the year ended 31 December 2015 nor for the year ended 31 December 2014.

5. OPERATING PROFIT

	2015 €	2014 €
Operating profit is stated after charging:		
Fees payable to the company's auditors for the audit of the company's annual financial statements	7,869	7,878
Foreign exchange differences	<u>1,869</u>	<u>1,187</u>

The directors do not receive specific remuneration for their services to the company. The cost of directors services forms part of the management fees paid by the company to group companies.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 €	2014 €
Bank interest receivable	<u>710</u>	<u>2,110</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 €	2014 €
Other interest payable	<u>62</u>	<u>12</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2015

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 €	2014 €
Current tax		
UK corporation tax		
UK corporation tax on profits for the year	60,799	81,902
Double taxation relief	<u>(55,491)</u>	<u>(65,017)</u>
	5,308	16,885
Foreign tax		
Current year	<u>55,491</u>	<u>65,017</u>
Total tax	<u>60,799</u>	<u>81,902</u>
Factors affecting the current tax		
Profit on ordinary activities before taxation	<u>300,295</u>	<u>381,061</u>
Tax at effective standard rate of 20.25% (2014: 21.50%)	<u>60,799</u>	<u>81,902</u>
Total tax	<u>60,799</u>	<u>81,902</u>

Factors affecting future tax charges

From 1 April 2014 the headline rate of corporation tax in the UK reduced from 23% to 21%. The Finance Act 2013 was enacted on 2 July 2013 and introduced a further reduction in the headline rate of corporation tax to 20% from 1 April 2015. Accordingly the company's profits for this accounting period are taxed at the blended rate of 20.25%.

In the Budget on 8 July 2015, the UK Government proposed, amongst other things, to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. These rate changes are to be included in the Finance Bill 2015 but these have not yet been substantively enacted and therefore are not included in these financial statements.

There are no unprovided deferred tax amounts (2014: €nil).

9. DIVIDENDS

	2015 €	2014 €
Ordinary shares of €1 each		
Interim	<u>149,579</u>	<u>353,974</u>

Dividends of €149,579 have been approved and paid during the year. A dividend of €119,748 is recommended in respect of 2015.

10. INTANGIBLE ASSETS

	Trademarks €
COST	
At 1 January 2015 and 31 December 2015	<u>7,314</u>
ACCUMULATED AMORTISATION	
At 1 January 2015 and 31 December 2015	<u>7,314</u>
NET BOOK VALUE	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2015

11. DEBTORS

	2015 €	2014 €
Amounts owed by group undertakings	311,408	440,009
Corporation tax	839	-
Other debtors	<u>1,568</u>	<u>694</u>
	<u>313,815</u>	<u>440,703</u>

Amounts owed by group undertakings are interest free, with no security and are generally payable within 30 days of the invoice date.

12. CASH AT BANK AND IN HAND

	2015 €	2014 €
Cash at bank and in hand	<u>284,538</u>	<u>154,838</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 €	2014 €
Amounts owed to group undertakings	159,381	238,201
Corporation tax	-	4,819
Other creditors	4,416	1,824
Accruals and deferred income	<u>43,920</u>	<u>49,978</u>
	<u>207,717</u>	<u>294,822</u>

Amounts owed to group undertakings are interest free, with no security and are generally payable within 30 days of the invoice date.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2015	2014
Number:	Class:		€	€
1,000	Ordinary	£1	<u>1,560</u>	<u>1,560</u>

15. RELATED PARTY DISCLOSURES

Geo G. Sandeman Sons & Co., Limited is a subsidiary of IW Investment S.A. (70% shareholder), registered in Luxembourg. The remaining 30% share capital of the company is owned by Pernod Ricard S.A., registered in France.

During the year the company charged €161,477 (2014: €166,678) to Sandeman Jerez, a related subsidiary undertaking and €1,109,827 (2014: €1,138,725) to Sogrape Vinhos S.A., a related group undertaking, in respect of licence fees receivable. Sogrape Vinhos S.A. charged €500 (2014: €6,504) for management fees and intercompany services and €800,000 (2014: €786,036) for marketing expenses. Iberian Vintners S.A., a related group undertaking, charged €16,971 (2014: €13,415) for management fees. Pernod Ricard S.A. charged €7,274 (2014: €8,537) for management fees.

At 31 December 2015 the amount due from Sandeman Jerez was €16,179 (2014: €45,267) and from Sogrape Vinhos S.A. was €295,229 (2014: €394,742). At 31 December 2015 the amount due to Sogrape Vinhos S.A. was €155,139 (2014: €237,340), to Iberian Vintners S.A. was €4,242 (2014: €861) and to Pernod Ricard S.A. was €7,274 (2014: €8,537).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2015

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking is IW Investment S.A., registered in Luxembourg, and the group company preparing consolidated financial statements, which are publicly available and which include Geo G. Sandeman Sons & Co., Limited is Sogrape S.G.P.S., S.A., a company registered in Portugal, whose financial statements 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 Fernando Guedes, S.G.P.S., S.A., registered in Portugal.

Fernando Guedes, S.G.P.S., S.A. is the largest and Sogrape S.G.P.S., S.A. is the smallest undertaking to include the results of Geo G. Sandeman Sons & Co., Limited.

17. TRANSITION TO FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2014. The date of transition to FRS102 was 1 January 2014. Adoption of FRS 102 has not resulted in any changes to the company's accounts and therefore no reconciliation from the date of transition has been presented.