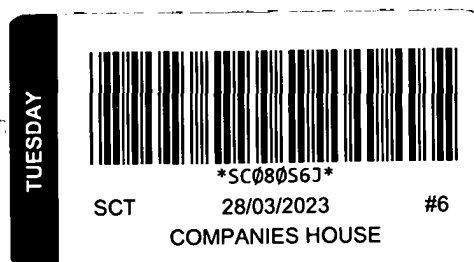


Company Registration No. 04698649 (England and Wales)



AD (US) FINANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022



AD (US) FINANCE

COMPANY INFORMATION

Directors	S McKechnie E Fells
Company number	04698649
Registered office	20 Montford Place Kennington London SE11 5DE
Auditor	KPMG LLP 15 Canada Square London E14 5GL

AD (US) FINANCE

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AD (US) FINANCE

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their annual report and financial statements for the year ended 30 June 2022.

Principal activity and review of the business

The principal activity of the Company is that of an intermediate financing company.

The Company's results have been prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The Company made a profit before taxation of €0.8m in the year (2021: €1.2m) from interest income on its lending activity. The lower year-on-year profit is due to the lending margin on the Company's intercompany loan to a fellow Pernod Ricard group subsidiary ("PR Debtor") being 36 basis points lower than the Company's previous intercompany loan to the PR Debtor that was repaid on 30 June 2021.

As an intermediate finance company, the only item impacting current and prior year statement of total comprehensive income is movements from the interest income on its lending activity to fellow group undertakings.

In previous years, the Company has been aware that an external party had been using a finance company in the UK group, (historically containing 'financial services' in its title) to commit a fraud centred around an internet website purporting to provide business loan solutions for small or medium sized companies. For the avoidance of doubt, the Company does not engage in lending activity outside of the Pernod Ricard Group and the Company is not an FCA authorised lender (details of which can be found on www.fca.org.uk).

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Macnab

(Resigned 31 March 2022)

S McKechnie

E Fells

Results and dividends

The results for the year are set out on page 8. A review of the business and results for the year are discussed above.

The Company paid no dividends in the year (2021: nil).

Political donations

The Company did not make any political donations or incur any political expenditure during the year.

Employees

The average monthly number of persons (including directors) employed by the Company during the year was nil, and therefore did not exceed 250.

Future developments

The Company remains committed to lending to fellow group undertakings by using debt financing and the directors are satisfied with the overall performance of the fellow group undertakings to which loans have been advanced.

AD (US) FINANCE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

Financial instruments

Treasury operations and financial instruments

Pernod Ricard S.A group ("The Group") operates a centralised treasury function. The directors make use of this facility to assist in managing liquidity, interest rate and foreign currency risks associated with the Group's activities.

Liquidity risk

The Group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The Group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on its floating rate deposits, bank overdrafts and loans. The Group uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates, where appropriate. The Company has no interest rate swaps in place as all loan balances are within the Pernod Ricard S.A. group.

Foreign currency risk

The Group's principal foreign currency exposures arise from trading operations in overseas companies. Group policy permits, but does not demand, that these exposures may be hedged. This hedging activity involves the use of foreign exchange forward contracts.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks which must fulfill credit rating criteria approved by the Board of Directors of Pernod Ricard S.A.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure to auditor

Each of the Directors in office at the date of approval of this annual report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AD (US) FINANCE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

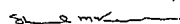
Going concern

As detailed in accounting policy 1.3, at the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors' report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of Companies Act 2006.

In accordance with section 414B of the Companies Act 2006, a Strategic Report has been excluded from these financial statements, due to the entity's eligibility for small company exemptions.

On behalf of the board



S McKechnie
Director
20 Montford Place
Kennington
London
SE11 5DE

30 November 2022

AD (US) FINANCE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AD (US) FINANCE

Opinion

We have audited the financial statements of AD (US) Finance ('the Company') for the year ended 30 June 2022 which comprise the statement of total comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

AD (US) FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AD (US) FINANCE

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information which comprises the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the directors' report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

AD (US) FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AD (US) FINANCE

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' Responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at

www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Jeremy Williams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

30 November 2022

AD (US) FINANCE

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AD (US) FINANCE

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 €'000	2021 €'000
Interest receivable and similar income	5	827	1,194
Operating profit and profit before taxation		827	1,194
Taxation on profit	6	-	-
Profit for the financial year		827	1,194
Other comprehensive income		-	-
Total comprehensive income for the year		827	1,194

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 15 are an integral part of these financial statements.

AD (US) FINANCE

BALANCE SHEET

AS AT 30 JUNE 2022

		2022	2021
	Notes	€'000	€'000
Current assets			
Debtors falling due after more than one year	7	95,365	94,538
Total assets		95,365	94,538
Capital and reserves			
Called up share capital	8	1	1
Share premium account	9	59,781	59,781
Profit and loss reserves		35,583	34,756
Total equity		95,365	94,538

The notes on pages 11 to 15 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 November 2022 and are signed on its behalf by:



S McKechnie
Director
20 Montford Place
Kennington
London
SE11 5DE
Company Registration No. 04698649

AD (US) FINANCE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Share capital €'000	Share premium account €'000	Profit and loss reserves €'000	Total €'000
Balance at 1 July 2020	1	59,781	33,562	93,344
Year ended 30 June 2021:				
Total comprehensive income for the year	-	-	1,194	1,194
Balance at 30 June 2021	1	59,781	34,756	94,538
Year ended 30 June 2022:				
Total comprehensive income for the year	-	-	827	827
Balance at 30 June 2022	1	59,781	35,583	95,365

The notes on pages 11 to 15 are an integral part of these financial statements.

AD (US) FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Company information

AD (US) Finance is an unlimited company domiciled and incorporated in England and Wales. The registered office is 20 Montford Place, Kennington, London, SE11 5DE.

The Company is a wholly owned subsidiary of Pernod Ricard S.A. and its results are included in the consolidated financial statements of Pernod Ricard S.A.

The consolidated financial statements of Pernod Ricard S.A can be accessed at <https://www.pernod-ricard.com/en/our-news-and-press/our-publications-and-reports/>.

1.1 Accounting convention

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 requirements of the Companies Act 2006. All applicable amendments to FRS 102 issued up to date of reporting have been applied.

The presentation currency of these financial statements is Euro, which is also the functional reporting currency of the Company. All amounts in the financial statements have been rounded to the nearest €1,000.

The financial statements have been prepared under the historical cost convention and on a going concern basis. The principal accounting policies adopted are set out below and unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

1.2 Reduced disclosure exemptions

The Company has taken advantage of certain disclosure exemptions in preparing these financial statements, as permitted by Section 1 of FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation;
- the requirements of Section 11 Basic Financial Instruments, financial instruments disclosures;
- the requirements of Section 33 Related Party Disclosures, key management personnel compensation.

This information is included in the consolidated financial statements of Pernod Ricard S.A. as at 30 June 2022 Copies of its annual report may be obtained from 5 Cours Paul Ricard, 75380 Paris, France.

1.3 Going concern

'In light of wider economic uncertainty, the directors considered the appropriateness of adopting the going concern basis in all active, non-trading companies in the UK under the intermediate control of Pernod Ricard UK Group Limited ("PRUKG"), and ultimate control of Pernod Ricard S.A. ("Group").

The assets of the Company consist entirely of an intercompany loan to a fellow PRUKG subsidiary non-trading intermediate UK parent. Over time, the directors expect this debt to be discharged from funds provided from its intermediate subsidiary. However, as there are intermediate companies in non-UK jurisdictions, the directors have agreed, in consultation with the creditor, that for the immediate future the most appropriate action on maturity is for the loan to be replaced with a new loan on arm's length terms. In the directors' opinion, the Company can therefore be considered as having adequate resources to continue operating for the foreseeable future.

1.4 Revenue

Interest income is recognised using the effective interest method and classified as forming part of operating profit from ordinary activities.

AD (US) FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.5 Financial assets and liabilities

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial instruments which include trade payables and receivables; inter-company lending arrangements; and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected unless the arrangement constitutes a financing transaction, where the Company measures the debt instrument at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

AD (US) FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

2 Auditor's remuneration

The auditor's remuneration for these financial statements amounts to €5,900 (£5,000) (2021: €7,200 (£6,400)). The current and prior year audit fee has been borne by another group Company. There are no additional fees receivable by the Company's auditor in respect of services other than the audit of the Company's financial statements.

3 Employees

There were no employees during the year (2021: nil).

4 Directors' remuneration

The number of directors remunerated by the Company for the year ended 30 June 2022 was nil (2021: nil). Directors' emoluments are borne by another group company in the current and prior year, the Directors perform no qualifying services for which remuneration is due and therefore they do not receive specific remuneration for their role as directors of the Company.

5 Interest receivable and similar income

	2022 €'000	2021 €'000
Interest income		
Interest receivable from group companies	827	1,194
	<u>827</u>	<u>1,194</u>

6 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 €'000	2021 €'000
Profit before taxation	827	1,194
	<u>827</u>	<u>1,194</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	157	227
Surrender of tax losses from group companies	(157)	(227)
	<u>(157)</u>	<u>(227)</u>
Taxation charge for the year	-	-
	<u>-</u>	<u>-</u>

AD (US) FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

6 Taxation

(Continued)

The tax charge for the year to 30 June 2022 has been reduced by €157,000 (2021: €227,000), in respect of group relief claimed from group undertakings for nil consideration.

Factors that may affect future tax charges

The company's tax charge in future periods will be affected by the availability of group relief for any losses that are incurred by other group undertakings.

Finance Act 2021 was substantively enacted on 24 May 2021, which had the effect of increasing the main rate of corporation tax from 19% to 25% from 1 April 2023. As this rate change was enacted before the balance sheet date, any deferred tax assets or liabilities have been calculated at 25% in line with when the company anticipates the temporary differences will unwind.

7 Debtors

	2022	2021
	€'000	€'000

Amounts falling due after more than one year:

Amounts owed by group undertakings	95,365	94,538
------------------------------------	--------	--------

Included in amounts owed by group undertakings falling due after more than one year is an amount of €95,365,000 (2021: €94,538,000) which is unsecured, repayable 30 June 2026 and interest bearing at 6M EURIBOR +1.39%. (2021: 6M EURIBOR +1.39% from 30 June 2021, previously 3M EURIBOR +1.75%).

8 Share capital

	2022	2021
	€'000	€'000

Ordinary share capital

Allotted, called up and fully paid

1,100 Ordinary shares of US dollar 1 each

1	1
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The Company has one class of ordinary shares which carry no right to fixed income,

9 Share premium account

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

10 Related party transactions

The Company has taken advantage of the exemption under the terms of paragraph 33.1A of FRS 102 from disclosing transactions with entities that are wholly owned by the Pernod Ricard S.A. group. There were no other related party transactions in the year.

AD (US) FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

11 Controlling party

The Company's immediate parent company is Allied International Holdings B.V. registered in the Netherlands.

The ultimate parent undertaking and controlling party is Pernod Ricard S.A., a company incorporated in France. Copies of its annual report may be obtained from 5 Cours Paul Ricard, 75380 Paris, France. This is the largest and smallest group into whose consolidated accounts the Company's financial information is consolidated.

12 Events after the reporting date

No material events occurred after the reporting date.