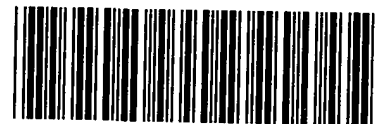


Company Registration No. 06913990 (England and Wales)

**PERNOD RICARD UK HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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# **PERNOD RICARD UK HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

A Hamilton-Stanley  
S Macnab  
H Fetter  
I Fitzsimons  
L Lacassagne

### **Secretary**

A Mapplebeck

### **Company number**

06913990

### **Registered office**

Chivas House  
72 Chancellors Road  
Hammersmith  
London  
W6 9RS

### **Auditors**

Mazars LLP  
90 St. Vincent Street  
Glasgow  
G2 5UB

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# **PERNOD RICARD UK HOLDINGS LIMITED**

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# **PERNOD RICARD UK HOLDINGS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 JUNE 2015**

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The directors present the strategic report and financial statements for the year ended 30 June 2015.

### **Introduction**

The principal activity of the Company is to hold investments in entities within the Pernod Ricard S.A. Group. The Company is the sole shareholder of Martell Mumm Perrier-Jouet (MMPJ), the French holding company for the cognac and champagne business of the Pernod Ricard group, and has, since the acquisition of Goal Acquisitions (Holdings) Limited (GAHL) in June 2012, had a significant indirect holding in Chivas Brothers Limited, a UK company that produces and sells premium whisky and gin. The Company also provides brand security services, protecting Pernod Ricard brands worldwide. There have been no changes in the Company's principal activities in the year under review and no changes in the Company's activities are expected in the year ahead.

### **Business review**

The Company made a loss of €457m in the year [2014: loss of €117m]. The most significant item within the current year loss is an impairment charge of €370m against the Company's investment in Goal Acquisition (Holdings) Limited (GAHL) mainly in relation to the Absolut vodka brand in which GAHL has an indirect interest. Interest costs of €129m were reduced by interest income of €42m from USD promissory notes acquired at the end of last year.

On 20 October 2014, Lina 3, the sole shareholder of the Company subscribed for 386,879 fully paid ordinary shares of €1 each in the capital of the Company at an aggregate premium of €199,613,121. The Company used the funds received to subscribe for one ordinary share of \$1 in its subsidiary Allied Domecq Westport Limited, representing a consideration of \$254,980,000.

The Company remains committed to funding its investments in subsidiary companies using a mix of debt and equity financing and the directors are satisfied with the overall investment performance of the underlying equity investments.

### **Principal risks and uncertainties**

The principal risks facing the Company are interest rate risk and currency risk. The Company manages these risks by financing its operations through Group borrowings made in the desired currencies at floating rates and in the use of cross currency contracts with Pernod Ricard Finance S.A. ("PRF"), the treasury function of the Group.

As the Company is a holding company, it is reliant on the executive management teams within the operational businesses to manage competitive pressures in all of the markets in which they operate and to grow the business in line with forecast expectations. The Company receives and reviews operating reports from these businesses and exercises appropriate management oversight.

### **Financial key performance indicators**

In addition to operating reviews, the Company monitors changes in the underlying value of equity investments and uses the results of this monitoring process to ensure there is no further permanent diminution in the carrying value of its equity investments.

### **Results**

The results for the year are set out on page 7.

### **Going Concern**

After making enquiries, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

# PERNOD RICARD UK HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2015**

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### Financial instruments

#### Treasury operations and financial instruments

The Pernod Ricard Group ("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 Pernod Ricard S.A..

The Strategic Report was approved by the Board on 14 December 2015 and signed on its behalf by

.....  
H Fetter  
Director  
.....



**PERNOD RICARD UK HOLDINGS LIMITED**  
**COMPANY REGISTRATION NO. 06913990**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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The directors present their report and the financial statements for the year ended 30 June 2015. The following information is not included in the Directors' Report because it is shown in the Strategic Report:

Business review  
Principal risks and uncertainties  
Financial key performance indicators  
Results  
Going concern  
Financial instruments

**Dividends**

The directors did not declare or pay any dividends for the year ended 30 June 2015 (year ended 30 June 2014: nil).

**Directors**

The following directors have held office since 1 July 2014 (unless otherwise stated):

A Hamilton-Stanley  
S Macnab  
H Fetter  
I Fitzsimons  
L Lacassagne

**Auditors**

The auditors, Mazars LLP, continue in office in accordance with section 485 of the Companies Act 2006.

**Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and Strategic 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 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;
- 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.

**PERNOD RICARD UK HOLDINGS LIMITED**  
**COMPANY REGISTRATION NO. 06913990**  
**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2015**

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**Statement of disclosure to auditors**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

H Fetter  
Director

14 December 2015



# **PERNOD RICARD UK HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF PERNOD RICARD UK HOLDINGS LIMITED**

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We have audited the financial statements of Pernod Ricard UK Holdings Limited for the year ended 30 June 2015 comprising the Profit & Loss Account, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors. 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.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its loss 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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



# **PERNOD RICARD UK HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF PERNOD RICARD UK HOLDINGS LIMITED**

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#### **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.



**Jacqueline Berry (Senior Statutory Auditor)**  
**for and on behalf of Mazars LLP**

14 December 2015

**Chartered Accountants and Statutory Auditor**

90 St. Vincent Street  
Glasgow  
G2 5UB

# PERNOD RICARD UK HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 €'000	2014 €'000
Administrative expenses		(603)	(1,729)
Other operating income		1,039	(13)
<b>Operating profit/(loss)</b>	<b>2</b>	<b>436</b>	<b>(1,742)</b>
Interest receivable and similar income	<b>3</b>	41,824	14,352
Amounts written off investments	<b>4</b>	(370,000)	-
Interest payable and similar charges	<b>5</b>	(129,259)	(140,347)
<b>Loss on ordinary activities before taxation</b>		<b>(456,999)</b>	<b>(127,737)</b>
Tax on loss on ordinary activities	<b>6</b>	-	10,321
<b>Loss for the year</b>	<b>13</b>	<b>(456,999)</b>	<b>(117,416)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Accordingly, no Statement of Total Recognised Gains and Losses is presented.

# PERNOD RICARD UK HOLDINGS LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2015

	Notes	2015 €'000	2014 €'000
<b>Fixed assets</b>			
Investments	7	7,925,114	8,095,114
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	7,327	764
Debtors: amounts falling due after more than one year	8	943,151	910,834
Cash at bank and in hand		29	6
		<u>950,507</u>	<u>911,604</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(68,248)</u>	<u>(60,143)</u>
<b>Net current assets</b>		882,259	851,461
<b>Total assets less current liabilities</b>		8,807,373	8,946,575
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(3,461,720)</u>	<u>(3,343,923)</u>
		<u>5,345,653</u>	<u>5,602,652</u>
<b>Capital and reserves</b>			
Called up share capital	12	12,188	11,801
Share premium account	13	5,142,068	4,942,455
Profit and loss account	13	191,397	648,396
<b>Shareholders' funds</b>	14	<u>5,345,653</u>	<u>5,602,652</u>

Approved by the Board and authorised for issue on 14 December 2015

H Fetter  
Director



Company Registration No. 06913990

# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and on a going concern basis.

Certain amounts due to group companies under common control of the Pernod Ricard group are included in creditors due within one year as they are technically payable on demand. PRSA has undertaken to ensure that the Company will be able to meet these amounts as and when payment is required.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Investments

Fixed asset investments are stated at cost less provision for impairment in value.

#### 1.4 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at future dates, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 1.5 Foreign currency translation

Transactions denominated in a foreign currency are translated into Euros at the exchange rate at the date of the transactions and exchange differences arising on settlement are dealt with in the profit and loss account. Amounts receivable or payable in foreign currency have been translated at the exchange rate ruling at the balance sheet date and differences on exchange are included in the profit and loss account.

#### 1.6 Group accounts

The financial statements contain information about the Company as an individual undertaking and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent undertaking, Pernod Ricard S.A., a company incorporated in France.

#### 1.7 Current taxation

Corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted by the balance sheet date.

#### 1.8 Cash flow statement

In accordance with Financial Reporting Standard No1 (Revised) the Company is exempt from preparing a cash flow statement as its ultimate parent undertaking, Pernod Ricard S.A., has included a cash flow statement in its financial statements which are publicly available.

# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

### 1 Accounting policies

(Continued)

#### 1.9 Financial Instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk movements. Transactions covered by foreign exchange contracts are recorded at the contracted rate. Premiums or discounts on foreign exchange instruments are spread over the life of the instrument.

The Company has entered into an investment agreement with a fellow group entity under which options in respect of subscription rights for preference shares in the Company were granted to both parties.

The Company is party to these investment agreements to manage its exposure to liquidity risk.

### 2 Operating profit/(loss)

	2015 €'000	2014 €'000
Operating profit/(loss) is stated after the following:		
Profit/(loss) on foreign exchange transactions	1,039	(13)

The audit fee for the current year and prior period has been borne by another group company.

### 3 Interest receivable and similar income

	2015 €'000	2014 €'000
Income from shares in group undertakings	-	13,386
Interest receivable from fellow group companies	41,824	966
	<u>41,824</u>	<u>14,352</u>

### 4 Amounts written off investments

	2015 €'000	2014 €'000
Amounts written off fixed asset investments:		
- impairment charge	370,000	-

The valuation of fixed asset investments was calculated using discounted future estimated cashflows in relevant trading companies, adjusted for net debt. Cashflows were projected in perpetuity, using average long term growth rates ranging from -1% to 2.5% as appropriate for the brand, and an average discount rate ranging from 7.25% to 11% dependent on the brand.

# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

### 5 Interest payable and similar charges

	2015 €'000	2014 €'000
On amounts payable to group companies	129,259	140,347

### 6 Taxation

	2015 €'000	2014 €'000
<b>Domestic current year tax</b>		
U.K. corporation tax	-	(10,321)
<b>Current tax charge</b>	-	(10,321)
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(456,999)	(127,737)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2014 - 22.50%)	(94,827)	(28,741)
Effects of:		
Expenses not deductible	76,775	-
Income not taxable	-	(3,012)
Surrender of tax losses to group companies	18,052	21,432
<b>Current tax charge</b>	-	(10,321)

The tax credit in the period to 30 June 2015 has been reduced by €18,052,000 (2014: €21,432,000) in respect of group relief surrendered to 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.

A number of changes to the UK corporation tax system were announced in the July 2015 Summer Budget Statement. This Budget announced proposals to reduce the main rate of corporation tax of 20% applicable from 1 April 2015 to 19% from 1 April 2017 and to 18% from 1 April 2020. The reductions to 19% and 18% have not yet been substantively enacted. As these changes will fall after the balance sheet date, they are not included in these financial statements. The changes are not expected to have a material cash impact on the Company.

The company has unrelieved losses carried forward of €nil (2014: €55m).

# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

### 7 Fixed asset investments

	Shares in subsidiary undertakings €'000
<b>Cost</b>	
At 1 July 2014	8,095,114
Additions	200,000
At 30 June 2015	8,295,114
<b>Provisions for diminution in value</b>	
At 1 July 2014	-
Charge for the year	370,000
At 30 June 2015	370,000
<b>Net book value</b>	
At 30 June 2015	7,925,114
At 30 June 2014	8,095,114

#### Direct holdings of more than 20%

The company directly holds more than 20% of the share capital of the following companies:

#### Direct investments

Company	Country of registration or incorporation	Class	Shares held %
Goal Acquisitions (Holdings) Limited	England & Wales	A ord share	100.00
Chivas Brothers Holdings Limited	England & Wales	A pref shares	100.00
Chivas Brothers Holdings Limited	England & Wales	B pref shares	100.00
Chivas Brothers Holdings Limited	England & Wales	C pref shares	100.00
Martell Mumm Perrier-Jouet SAS	France	AO Common Stock	100.00
Allied Domecq Westport Limited	England & Wales	ord share	100.00

Indirect investments are disclosed in appendix A to the accounts.

On 20 October 2014, the Company subscribed for one ordinary share of \$1 in its subsidiary Allied Domecq Westport Limited for a consideration of \$254,980,000.

# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

<b>8 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Due within one year</b>		
Amounts owed by fellow subsidiary company	7,326	763
Other debtors	1	1
<b>Due after one year</b>		
Amounts owed by fellow subsidiary companies	943,151	910,834
	<u>950,478</u>	<u>911,598</u>
<b>9 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Amounts owed to fellow subsidiary companies	68,098	60,014
Other taxes and social security	20	83
Accruals and deferred income	130	46
	<u>68,248</u>	<u>60,143</u>
<b>10 Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Amounts owed to parent and fellow subsidiary companies	<u>3,461,720</u>	<u>3,343,923</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	120,188	-
In more than two years but not more than five years	641,532	643,923
In more than five years	<u>2,700,000</u>	<u>2,700,000</u>

A loan from PR Netherlands (€2,700,000k) is repayable on 31 March 2022 and bears interest based on 6 month EURIBOR plus a margin of 380 basis points. Under the terms of the loan agreement, regular interest is payable twice yearly, however payment is deferred for 3 years on any interest due in the period to 30 September 2016. Deferred interest bears interest at the same rate as the loan principal. The first payment of interest (regular and deferred) will therefore be 30 September 2016, with the final payment of deferred interest being 31 March 2019:



# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

### 11 Pension commitments

#### Defined Benefit Scheme - Chivas Brothers Pension Scheme

The Company is a member of the Chivas Brothers Pension Scheme. The scheme is a group defined benefit pension scheme, and as such, the Company cannot allocate the assets or liabilities of the scheme relating only to the Company.

The most recent triennial actuarial valuation is as at 5 April 2012. This was prepared by Mercer Human Resource Consulting Limited using the Projected Unit Method. The main actuarial assumptions were (a) price inflation of 3.3% per annum, (b) discount rate of 4.7%, (c) salary increases of 3.55% per annum and (d) Limited Price Indexation pension increases of 3.20% per annum. The valuation showed that the market value of the assets of the scheme was £266,300,000 and the actuarial value of the assets was sufficient to cover the value of each member's accrued benefits based on projected salaries to the extent of 82%. During the year total contributions made to the Scheme by all participating employers were £10,638,000 (2014: £11,105,000),

The pension scheme shows an FRS 17 deficit, as at 30 June 2015, of £33,311,000 (2014: £41,721,000), net of deferred tax.

For the purposes of these financial statements, these figures are illustrative only and do not impact on the results or the balance sheet of the Company.

During the year the Company contributed €38,000 (2014: €38,000) to the Scheme. The Company expects to contribute €37,000 to the Scheme in the year to 30 June 2015.

#### Defined contribution scheme

The Company participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. Contributions payable by the Company during the year amounted to €40,054 (2014: €23,302) and have been recognised in the profit and loss account. As at the balance sheet date, contributions amounting to €4,243 (2014: €3,068) had not been paid over to the fund and are included within Creditors.

12 Share capital	2015	2014
	€'000	€'000
<b>Allotted, called up and fully paid</b>		
5,384,215 Ordinary shares of £1 each	6,514	6,514
5,286,702 Ordinary shares of €1 each	5,287	5,287
386,879 Ordinary shares of €1 each	387	-
	<u>12,188</u>	<u>11,801</u>

On 20 October 2014, Lina 3, the sole shareholder of the Company subscribed for 386,879 ordinary shares of €1 each in the capital of the Company at an aggregate premium of €199,613,121.

# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

### 13 Statement of movements on reserves

	Share premium account €'000	Profit and loss account €'000
Balance at 1 July 2014	4,942,455	648,396
Loss for the year	-	(456,999)
Premium on shares issued during the year	199,613	-
Balance at 30 June 2015	<u>5,142,068</u>	<u>191,397</u>

### 14 Reconciliation of movements in shareholders' funds

	2015 €'000	2014 €'000
Loss for the financial year	(456,999)	(117,416)
Proceeds from issue of shares	200,000	2,957,410
Net (depletion in)/addition to shareholders' funds	(256,999)	2,839,994
Opening shareholders' funds	5,602,652	2,762,658
Closing shareholders' funds	<u>5,345,653</u>	<u>5,602,652</u>

### 15 Employees

#### Number of employees

The average monthly number of employees (excluding directors) during the year was:

	2015 Number	2014 Number
Administration	<u>8</u>	<u>8</u>

#### Employment costs

	2015 €'000	2014 €'000
Wages and salaries	487	513
Social security costs	59	50
Other pension costs	78	74
	<u>624</u>	<u>637</u>

The directors received no remuneration during the year to 30 June 2015 in respect of their services to the Company (30 June 2014: €nil).

# **PERNOD RICARD UK HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 30 JUNE 2015**

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#### **16 Financial derivatives**

On 23 June 2014, the Company entered into three cross currency swap agreements with PR Finance S.A., a fellow group undertaking, the purpose of which was to provide an economic hedge against newly acquired USD promissory notes.

The effective date of the swaps was 23 June 2014 and the maturity dates are in line with the USD promissory notes of 24 July 2016; 2017 and 2018.

On 24 July 2016, \$430,000,000 will be transferred to PR Finance S.A. in exchange for €315,712,188. The fair value of this instrument at 30 June 2015 is €68,863,726 (2014: €951,921).

On 24 July 2017, \$400,000,000 will be transferred to PR Finance S.A. in exchange for €293,685,756. The fair value of this instrument at 30 June 2015 is €64,059,280 (2014: €885,508).

On 24 July 2018, \$400,000,000 will be transferred to PR Finance S.A. in exchange for €293,685,756. The fair value of this instrument at 30 June 2015 is €64,059,280 (2014: €885,508).

#### **17 Option contracts**

In 2013, the Company and Irish Distillers Limited (IDL), a fellow group company, entered into an investment agreement. The Company granted an option to IDL to subscribe for €1 preference shares in the Company with a fair market value at issue of €2,700m. IDL granted the Company an option to require IDL to subscribe for €1 preference shares in the Company with a fair market value at issue of €2,700m. The respective options are exercisable between March 2018 and August 2018.

During the prior year, the Company entered into an investment agreement with Allied Domecq Westport Limited (ADW), a fellow group entity, under which an option to purchase ordinary shares in Goal Acquisitions (Holdings) Limited, a subsidiary of the Company was granted to ADW. The Company is party to this investment agreement to manage its exposure to liquidity risk. The option is exercisable any time until 23 June 2017.

The options have a nil value in the financial statements as the rights and obligations under the contract were at fair market value.

#### **18 Control**

The Company's immediate parent is Lina 3 S.A., a company registered in France.

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 12 Place Des Etats-Unis, 75783 Paris, Cedex 16, France. This is the largest and smallest group into whose consolidated accounts the Company's financial information is consolidated.

#### **19 Related party transactions**

The Company is included in the consolidated financial statements of Pernod Ricard S.A., which are publicly available. Consequently, the Company has taken advantage of the exemption under the terms of Financial Reporting Standard No.8 from disclosing transactions with entities that are wholly owned by the Pernod Ricard S.A. group.

# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2015

#### 20 Appendix A - Indirect investments

##### Indirect holdings of more than 50%

The company indirectly holds more than 50% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held or Class	%
PR Goal 3 Limited	England & Wales	Ordinary	100.00%
PR Goal 3 Limited	England & Wales	Preference	56.00%
Goal Acquisitions Limited	Guernsey	A Ordinary	100.00%
Goal Acquisitions Limited	Guernsey	Ordinary	100.00%
Chivas Holdings (IP) Limited	Scotland	Preference	51.00%
Chivas Holdings (IP) Limited	Scotland	Ordinary	51.00%
Chivas Brothers Pernod Ricard	Scotland	A Ordinary	51.00%
The Plymouth Gin Company Limited	England & Wales	Ordinary	51.00%
World Brands Duty Free Limited	England & Wales	Ordinary	51.00%
Financiere Moulins de Champagne S.A.S	France	Ordinary	100.00%
Spirits Partners S.A.S	France	Ordinary	100.00%
Martell & Co. S.A.	France	Ordinary	99.99%
Allied Domecq Limited	England & Wales	Ordinary	100.00%
Theodore Legras S.A	France	Ordinary	99.20%
G.H. Mumm & Cie S.V.C.S.	France	Ordinary	100.00%
Domaines Jean Martell S.A.S	France	Ordinary	99.99%
Augier Robin Briand & Cie SAS	France	Ordinary	99.99%
Allied Domecq (Holdings) Limited	England & Wales	Ordinary	100.00%
Allied Domecq International Finance Company	Ireland	Ordinary	100.00%
Allied Domecq Pensions Limited	England & Wales	Ordinary	99.99%
Champagne Perrier-Jouet S.A	France	Ordinary	99.97%
Mumm Perrier-Jouet Vignobles et Recherches	France	Ordinary	100.00%
Le Maine au Bois S.A.S	France	Ordinary	99.99%
Societe des Produits D'Armagnac S.A.	France	Ordinary	99.98%
Allied Domecq Overseas Holdings Limited	Cayman Islands	Ordinary	100.00%
Allied Domecq Atlantic Finance Limited	England & Wales	Ordinary	100.00%
Optisure Limited	England & Wales	Ordinary	100.00%
Allied Domecq Canada Financing Company	England & Wales	Ordinary	100.00%
Allied Domecq Spirits and Wine (Investments) Limited	England & Wales	Ordinary	100.00%
Millstream Finance Limited	Guernsey	Ordinary	100.00%
Allied Domecq Financial Services Limited	England & Wales	Ordinary	100.00%
Allied Domecq Investments Limited	England & Wales	Ordinary	100.00%
Millstream (Holdings) Limited	England & Wales	Ordinary	100.00%
Pernod Ricard Korea Imperial Company Limited	Korea	Preference	100.00%
Pernod Ricard Korea Imperial Company Limited	Korea	Ordinary	100.00%
Drybrough & Company Limited	Scotland	Ordinary	100.00%
Allied Domecq Medical Expenses Trust Limited	England & Wales	Ordinary	100.00%
Allied Domecq Russia (Holdings) Limited	England & Wales	Ordinary	100.00%
J R Phillips & Co. Limited	Scotland	Ordinary	100.00%
Adder Investment Holdings	Scotland	Ordinary	100.00%
Martinez Gassiot & Company Limited	England & Wales	Ordinary	100.00%

# PERNOD RICARD UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

Reid, Stuart and Company Limited	England & Wales	Ordinary	99.57%
Allied Domecq Overseas Limited	England & Wales	Ordinary	100.00%
Allied Domecq Overseas (Europe) Limited	England & Wales	Ordinary	100.00%
Allied Domecq Overseas (Canada) Limited	England & Wales	Ordinary	100.00%
Chiswell Holdings	England & Wales	Ordinary	100.00%
Zoo Girl Limited	England & Wales	Ordinary	100.00%
Overseas Trading Corporation (1939) Limited	Jersey	Ordinary	100.00%
Beefeater Gin Limited	England & Wales	Ordinary	100.00%
Borzoi Company Limited	England & Wales	Ordinary	100.00%
Millstream Equities Limited	New Zealand	Ordinary	100.00%
Allied Domecq Australia Limited	Australia	Ordinary	100.00%
J. Lyons Holdings Limited	England & Wales	Ordinary	100.00%
PR Goal Netherlands B.V.	Netherlands	Ordinary	87.60%
PR Goal Netherlands B.V.	Netherlands	Preference	87.60%
Betset Limited	England & Wales	Ordinary	100.00%
Lemon Hart & Son Limited	England & Wales	Ordinary	100.00%
Recordpull Limited	England & Wales	Ordinary	100.00%
Montana Group Limited	New Zealand	Ordinary	100.00%
J. Lyons & Co. Limited	England & Wales	Ordinary	100.00%
Allied Domecq International Holdings B.V.	Netherlands	A Shares	87.60%
Allied Domecq International Holdings B.V.	Netherlands	B Shares	87.60%
Pernod Ricard Winemakers New Zealand Limited	New Zealand	Ordinary	100.00%
The Strand Hotels Limited	England & Wales	Ordinary	99.00%
Allied Domecq AG	Switzerland	Ordinary	87.60%
Allied Domecq Canada Limited	Canada	A Common Shares	87.60%
Allied Domecq (Europe) Finance	England & Wales	Ordinary	87.60%
Allied Domecq Netherlands B.V.	Netherlands	Ordinary	87.60%
Allied Domecq (US) Finance	England & Wales	Ordinary	87.60%
Hiram Walker (International) AG	Switzerland	Ordinary	87.60%
Brancott Estates Limited	New Zealand	Ordinary	100.00%
Camshorn Vineyards Limited	New Zealand	Ordinary	100.00%
Church Road Winery Limited	New Zealand	Ordinary	100.00%
Couper's Shed Wines Limited	New Zealand	Ordinary	100.00%
Montana Vineyard Leasing Limited	New Zealand	Ordinary	100.00%
Montana Wines Limited	New Zealand	Ordinary	100.00%
Penfolds Wines (NZ) Limited	New Zealand	Ordinary	100.00%
Tylers Stream Wine Company Limited	New Zealand	Ordinary	100.00%
Hiram Walker & Sons Limited	Canada	Ordinary	87.60%
Allied Domecq Spirits & Wine (Europe) B.V.	Netherlands	Ordinary	87.60%
Lif B.V.	Netherlands	Ordinary	87.60%
Allied Domecq Spirits & Wine Africa (Proprietary) Limited	South Africa	Ordinary	87.60%
Kahlua AG	Switzerland	Ordinary	87.60%
Overnal S.A.	Uruguay	Ordinary	87.60%
Boundary Vineyards Limited	New Zealand	Ordinary	100.00%
Cooks New Zealand Wine Co. Limited	New Zealand	Ordinary	100.00%
Five Flax Wine Limited	New Zealand	Ordinary	100.00%
International Cellars Limited	New Zealand	Ordinary	100.00%
Longridge Wines Limited	New Zealand	Ordinary	100.00%
Stoneleigh Winery Limited	New Zealand	Ordinary	100.00%

## PERNOD RICARD UK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2015**

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Sun Country Juices Limited	New Zealand	Ordinary	100.00%
Tripleback Wines Limited	New Zealand	Ordinary	100.00%
Averill Estate Limited	New Zealand	Ordinary	100.00%
Woodhill Vineyards Limited	New Zealand	Ordinary	100.00%
Allied Domecq Investements UK	England & Wales	Ordinary	87.60%
Allied Domecq European Investments Limited	England & Wales	Ordinary	87.60%
Spain Alecq B.V.	Netherlands	Ordinary	87.60%
Chivas Allied Domecq Ventures Limited	Scotland	Ordinary	87.60%
Allied Domecq Stadthofstrasse B.V.	Netherlands	Ordinary	87.60%
Allied Domecq Latin America Finance	England & Wales	Ordinary	87.60%