

Company Registration No. 06913990 (England and Wales)

PERNOD RICARD UK HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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PERNOD RICARD UK HOLDINGS LIMITED

COMPANY INFORMATION

Directors

A Hamilton-Stanley
S Macnab
H Fetter
I Fitzsimons
L Lacassagne (Appointed 17 September 2013)

Secretary

A Mapplebeck

Company number

06913990

Registered office

Chivas House
72 Chancellors Road
Hammersmith
London

Auditors

Mazars LLP
90 St. Vincent Street
Glasgow
G2 5UB

PERNOD RICARD UK HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 17

PERNOD RICARD UK HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2014

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 €117.4m in the year, dividend income of €13m was reduced by net interest charges of €139m and administrative expenses of €1.7m.

On 14 November 2013, the Company's parent Lina 3 subscribed for a further 3,537,195 ordinary shares of €1 each in the Company for a consideration of €2,053m. The Company used the proceeds to repay debt, reducing its future interest costs.

On 30 May 2014, the Company acquired Allied Domecq Westport Limited from Allied Domecq Overseas (Europe) Limited, an intermediate subsidiary in the GAHL group for a consideration of \$18.2m.

On 23 June 2014, the Company was involved in two separate transactions:

- For the first transaction, the Company subscribed for a further 100 A ordinary shares of €1 each in GAHL for a consideration of €59.3m.
- For the second transaction, the Company issued 1,749,507 ordinary shares of €1 each to Lina 3 for a consideration of €904.4m. The Company then entered into three cross currency swaps with Pernod Ricard Finance SA (PRF), a fellow subsidiary, swapping the EUR proceeds received from Lina 3 for USD. This enabled the Company to acquire three USD promissory notes totalling \$1,231.8m of a fellow subsidiary, Austin Nicholls & Co. (ANCO). The purchase of the ANCO notes will generate annual interest income for the Company in excess of \$45m.

Principal risks and uncertainties

The principal risks facing the Company are interest rate risk, currency risk and trading risk in its underlying investments impacting on the carrying value of the Company's equity investments in GAHL and MMPJ.

The Company manages interest rate and currency 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, 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.

PERNOD RICARD UK HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

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 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.

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 in order to fix the cost in Euros. 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 10 December 2014 and signed on its behalf by

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H Fetter

Director

10/12/14



PERNOD RICARD UK HOLDINGS LIMITED
COMPANY REGISTRATION NO. 06913990
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and the financial statements for the year ended 30 June 2014. 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 2014 (year ended 30 June 2013: €122,037,886).

Directors

The following directors have held office since 1 July 2013 (unless otherwise stated):

A Hamilton-Stanley
S Macnab
H Fetter
I Fitzsimons
L Lacassagne (appointed 17 September 2013)

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 2014

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.


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

On behalf of the board

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H Fetter

Director

10/12/14



PERNOD RICARD UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PERNOD RICARD UK HOLDINGS LIMITED

We have audited the financial statements of Pernod Ricard UK Holdings Limited for the year ended 30 June 2014 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.

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 2014 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

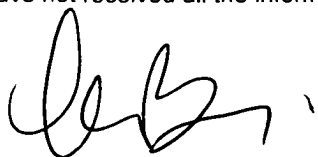
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF PERNOD RICARD UK HOLDINGS LIMITED

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

16/12/14
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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 2014

	Notes	2014 €'000	2013 €'000
Administrative expenses		1,742	(2,183)
Operating loss	2	<u>(1,742)</u>	<u>(2,183)</u>
Interest receivable and similar income	3	14,352	173,751
Interest payable and similar charges	4	<u>(140,347)</u>	<u>(89,149)</u>
(Loss)/profit on ordinary activities before taxation		(127,737)	82,419
Tax on (loss)/profit on ordinary activities	5	<u>10,321</u>	<u>-</u>
(Loss)/profit for the year	13	<u><u>(117,416)</u></u>	<u><u>82,419</u></u>

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.

AS AT 30 JUNE 2014

Approved by the Board and authorised for issue on 10/12/14.....

Company Registration No. 06913990

PERNOD RICARD UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 Accounting policies

1.1 Accounting convention

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

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 2014

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 has entered into an investment agreement with a fellow group entity under which options in respect of subscription rights for ordinary shares in a subsidiary of the Company have been granted.

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

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

2 Operating loss

	2014 €'000	2013 €'000
Operating loss is stated after the following:		
(Loss) / profit on foreign exchange transactions	(13)	(94)

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

3 Interest receivable and similar income

	2014 €'000	2013 €'000
Income from shares in group undertakings	13,386	173,595
Interest receivable from fellow group companies	966	156
	<u>14,352</u>	<u>173,751</u>

4 Interest payable and similar charges

	2014 €'000	2013 €'000
On amounts payable to group companies	<u>140,347</u>	<u>89,149</u>

PERNOD RICARD UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

5 Taxation

	2014 €'000	2013 €'000
Domestic current year tax		
U.K. corporation tax	(10,321)	-
Current tax charge	<u>(10,321)</u>	<u>-</u>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	<u>(127,737)</u>	<u>82,419</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.50% (2013 - 23.75%)	<u>(28,741)</u>	<u>19,575</u>
Effects of:		
Expenses not deductible	-	248
Income not taxable	(3,012)	(41,230)
Surrender of tax losses to group companies	21,432	21,407
	<u>18,420</u>	<u>(19,575)</u>
Current tax charge	<u>(10,321)</u>	<u>-</u>

The tax credit in the period to 30 June 2014 has been reduced by €21,432,000 (2013: €21,407,000) 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.

The company has unrelieved losses carried forward of €55m (2013: €55m). No deferred tax asset has been recognised in respect of these losses as at 30 June 2014 (or 30 June 2013), as it is uncertain whether there will be suitable profits emerging in future periods against which to relieve them. Relief for these losses will only be obtained if there are suitable profits arising in future periods. The potential deferred tax asset unrecognised as at 30 June 2014 is €11m (2013: €13m).

6 Dividends

	2014 €'000	2013 €'000
Ordinary interim dividends paid	<u>-</u>	<u>122,038</u>

PERNOD RICARD UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

7 Fixed asset investments

	Shares in subsidiary undertakings €'000
Cost	
At 1 July 2013	8,022,409
Additions	72,705
At 30 June 2014	8,095,114
Net book value	
At 30 June 2014	8,095,114
At 30 June 2013	8,022,409

Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Goal Acquisitions (Holdings) Limited	England & Wales	€1 A ord share	100.00
Chivas Brothers Holdings Limited	England & Wales	\$0.5 A pref shares	100.00
Chivas Brothers Holdings Limited	England & Wales	\$1 B pref shares	100.00
Chivas Brothers Holdings Limited	England & Wales	\$1 C pref shares	100.00
Martell Mumm Perrier-Jouet SAS	France	422,400 AO Common Stock	100.00
Allied Domecq Westport Limited	England & Wales	\$1 ord share	100.00

On 30 May 2014, the Company purchased the entire issued share capital of Allied Domecq Westport Limited for the sum of US\$18,216,000.

On 23 June 2014, the Company subscribed for 100 A ordinary €1 shares in the capital of Goal Acquisitions (Holdings) Limited for an aggregate subscription price of €59,319,000.

PERNOD RICARD UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

8 Debtors

	2014 €'000	2013 €'000
Due within one year		
Amounts owed by fellow subsidiary company	763	21,450
Other debtors	1	-
Due after one year		
Amounts owed by fellow subsidiary companies	910,834	7,271
	<u>911,598</u>	<u>28,721</u>

9 Creditors: amounts falling due within one year

	2014 €'000	2013 €'000
Trade creditors	1,059	-
Amounts owed to fellow subsidiary companies	58,955	149
Other taxes and social security	83	62
Accruals and deferred income	46	-
	<u>60,143</u>	<u>211</u>

10 Creditors: amounts falling due after more than one year

	2014 €'000	2013 €'000
Amounts owed to parent and fellow subsidiary companies	<u>3,343,923</u>	<u>5,288,300</u>
Loan maturity analysis		
In more than two years but not more than five years	643,923	2,588,300
In more than five years	<u>2,700,000</u>	<u>2,700,000</u>

The loan from PR Netherlands 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 Sept 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 2014

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 £11,105,000 (2013: £74,191,000). During the prior year, £60,500,000 was made as a one-off contribution by Chivas Brothers Limited.

The pension scheme shows an FRS 17 deficit, as at 30 June 2014, of £41,721,000 (2013: £18,873,000), net of deferred tax. In accordance with FRS 17, the one-off contribution of £60.5m made in the year to 30 June 2013 was not included within the FRS 17 deficit disclosed. Instead, per FRS 17, the contribution accretes over 20 years. On a funding basis, the contribution of £60.5m is recognised, therefore the next triennial valuation as at 5 April 2015 will reflect the contribution in full.

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 (2013: €11,000) to the Scheme. The Company expects to contribute €36,000 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 €23,302 (2013: €6,110) and have been recognised in the profit and loss account. As at the balance sheet date, contributions amounting to €3,068 (2013: €2,037) had not been paid over to the fund and are included within Creditors.

PERNOD RICARD UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

12 Share capital	2014	2013
	€'000	€'000
Allotted, called up and fully paid		
5,384,215 Ordinary shares of £1 each	6,514	6,514
5,286,702 Ordinary shares of €1 each	5,287	-
	<u>11,801</u>	<u>6,514</u>

On 5 November 2013, the Company created a new class of €1 ordinary share by ordinary resolution. The new shares rank pari passu with the existing GBP denominated shares.

On 14 November 2013, Lina 3 subscribed for 3,537,195 ordinary shares of €1 each in the capital of the Company at an aggregate premium of €2,049,452,000.

On 23 June 2014, Lina 3 subscribed for 1,749,507 ordinary shares of €1 each in the capital of the Company at an aggregate premium of €902,671,000.

13 Statement of movements on reserves	Share premium account €'000	Profit and loss account €'000
Balance at 1 July 2013	1,990,332	765,812
Loss for the year	-	(117,416)
Premium on shares issued during the year	2,952,123	-
Balance at 30 June 2014	<u>4,942,455</u>	<u>648,396</u>

14 Reconciliation of movements in shareholders' funds	2014 €'000	2013 €'000
(Loss)/Profit for the financial year	(117,416)	82,419
Dividends	-	(122,038)
	<u>(117,416)</u>	<u>(39,619)</u>
Proceeds from issue of shares	2,957,410	1,169,000
Net addition to shareholders' funds	2,839,994	1,129,381
Opening shareholders' funds	2,762,658	1,633,277
Closing shareholders' funds	<u>5,602,652</u>	<u>2,762,658</u>

PERNOD RICARD UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

15 Employees

Number of employees

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

	2014 Number	2013 Number
Administration	8	8
Employment costs	2014 €'000	2013 €'000
Wages and salaries	513	131
Social security costs	50	11
Other pension costs	74	20
	637	162

The directors received no remuneration during the year to 30 June 2014 in respect of their services to the Company (30 June 2013: £nil).

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 2014 is €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 2014 is €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 2014 is €885,508.

PERNOD RICARD UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

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 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 Related party transactions

The Company is a member of the Pernod Ricard S.A. group and is included in the consolidated financial statements of Pernod Ricard S.A., which are publicly available. Accordingly, the Company has taken advantage of the exemption offered by FRS 8 from disclosing related party transactions with other undertakings within, and investee related parties to, the Pernod Ricard S.A. group.

19 Post balance sheet events

On 20 October 2014, the Company issued 386,879 ordinary shares of €1 each at an aggregate subscription price of €200,000,000 to the Company's sole shareholder, Lina 3.

20 Control

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.