

Company Registration No 531414 (England and Wales)

**EUROPEAN CELLARS (GERMANY) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

WEDNESDAY



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# EUROPEAN CELLARS (GERMANY) LIMITED

## COMPANY INFORMATION

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|--------------------------|--|
| <b>Directors</b>         | H Fetter<br>S Macnab   |
| <b>Company number</b>    | 531414   |
| <b>Registered office</b> | Chivas House<br>72 Chancellors Road<br>Hammersmith<br>London<br>W6 9RS |
| <b>Auditors</b>          | Mazars LLP<br>90 St Vincent Street<br>Glasgow<br>G2 5UB                |

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# EUROPEAN CELLARS (GERMANY) LIMITED

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# EUROPEAN CELLARS (GERMANY) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2011

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The directors present their report and financial statements for the year ended 30 June 2011

#### **Principal activities and review of the business**

The principal activity of the Company is that of a group financing company. The Company did not trade in the period under review.

#### **Results and dividends**

The results for the year are set out on page 5.

The directors did not declare any dividends for the year ended 30 June 2011 (Year ended 30 June 2010: nil).

#### **Directors**

The following directors have held office since 1 July 2010:

H Fetter  
S Macnab

#### **Auditors**

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

#### **Statement of directors' responsibilities**

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

# EUROPEAN CELLARS (GERMANY) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2011**

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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

(b) Additionally, the directors 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



S Macnab

**Director**

15 March 2012

# **EUROPEAN CELLARS (GERMANY) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF EUROPEAN CELLARS (GERMANY) LIMITED**

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We have audited the financial statements of European Cellars (Germany) Limited for the year ended 30 June 2011 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 pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). 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 APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 2011 and of its result 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **EUROPEAN CELLARS (GERMANY) LIMITED**

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

### **TO THE MEMBERS OF EUROPEAN CELLARS (GERMANY) 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



**Richard Metcalfe (Senior Statutory Auditor)**  
**for and on behalf of Mazars LLP**

15 March 2012

**Chartered Accountants and Statutory Auditor**

90 St Vincent Street  
Glasgow  
G2 5UB

## EUROPEAN CELLARS (GERMANY) LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2011

|   | Notes | 2011<br>£'000 | 2010<br>£'000 |
|---|-------|---------------|---------------|
| Operating result/profit   | 2     | -             | 353           |
| Write-off of loan payable                                       |       | -             | 98,012        |
| <b>Result/profit on ordinary activities<br/>before taxation</b> | 2     | -             | 98,365        |
| Tax on result/profit on ordinary activities                     | 3     | -             | -             |
| <b>Result/profit for the year</b>                               | 5     | -             | 98,365        |

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



# EUROPEAN CELLARS (GERMANY) LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2011

|                                       |       | 2011  |          | 2010  |          |
|---------------------------------------|-------|-------|----------|-------|----------|
|                                       | Notes | £'000 | £'000    | £'000 | £'000    |
| Current assets                        |       |       |          |       |          |
| Total assets less current liabilities |       |       | -        |       | -        |
| Capital and reserves                  |       |       |          |       |          |
| Called up share capital               | 4     |       | 25,318   |       | 25,318   |
| Profit and loss account               | 5     |       | (25,318) |       | (25,318) |
| Shareholders' funds                   | 6     |       | -        |       | -        |

Approved by the Board and authorised for issue on 15 March 2012



S Macnab  
Director

Company Registration No 531414

# EUROPEAN CELLARS (GERMANY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 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 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

#### 1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

#### 1.5 Current taxation

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

#### 1.6 Cash flow

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

### 2 Operating result/profit

|   | 2011              | 2010              |
|---|-------------------|-------------------|
|   | £'000             | £'000             |
| Operating result/profit is stated after crediting |                   |                   |
| Profit on foreign exchange transactions           | -                 | 353               |
|   | <u>          </u> | <u>          </u> |

The auditors' remuneration for the year (and prior year) has been borne by a fellow group company

# EUROPEAN CELLARS (GERMANY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2011

| 3 | Taxation   | 2011<br>£'000 | 2010<br>£'000 |
|---|--|---------------|---------------|
|   | Total current tax  | -             | -             |
|   | <b>Factors affecting the tax charge for the year</b>   |               |               |
|   | Result/profit on ordinary activities before taxation   | -             | 98,365        |
|   | Result/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.50% (2010 - 28.00%) | -             | 27,542        |
|   | Effects of   |               |               |
|   | Non-taxable income   | -             | (27,443)      |
|   | Surrender of tax losses from group companies   | -             | (99)          |
|   |  | -             | (27,542)      |
|   | <b>Current tax charge for the year</b>   | -             | -             |

The tax charge in the year to 30 June 2011 has been reduced by £nil (30 June 2010 £99,000) 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

A number of changes to the UK corporation tax system were announced in the March 2011 Budget Statement. The budget announced the reduction of the main rate of corporation tax from 28% to 26% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. The changes have not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The changes are not expected to have a material cash tax impact on the Group.

| 4 | Share capital                             | 2011<br>£'000 | 2010<br>£'000 |
|---|---|---------------|---------------|
|   | <b>Authorised</b>                         |               |               |
|   | 30,090,000 Ordinary shares of £1 each     | 30,090        | 30,090        |
|   | <b>Allotted, called up and fully paid</b> |               |               |
|   | 25,317,729 Ordinary shares of £1 each     | 25,318        | 25,318        |

# EUROPEAN CELLARS (GERMANY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2011

### 5 Statement of movements on profit and loss account

|                         | Profit and<br>loss<br>account<br>£'000 |
|-------------------------|--|
| Balance at 1 July 2010  | (25,318)                               |
| Result for the year     | -                                      |
| Balance at 30 June 2011 | <u>(25,318)</u>                        |

### 6 Reconciliation of movements in shareholders' funds

|                                      | 2011<br>£'000 | 2010<br>£'000   |
|--------------------------------------|---------------|-----------------|
| Result/profit for the financial year | -             | 98,365          |
| Opening shareholders' funds          | -             | <u>(98,365)</u> |
| Closing shareholders' funds          | <u>-</u>      | <u>-</u>        |

### 7 Employees

#### Number of employees

There were no employees during the year (2010 nil)

The directors received no remuneration during the year to 30 June 2011 in respect of their services to the Company (30 June 2010 nil)

### 8 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.

### 9 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 part of the Pernod Ricard S A group.