

FBG Holdings (UK) Limited

Annual report and financial statements for the year ended 31 March 2014



**Incorporated in England and Wales under the Companies Act, 1985
Registered number: 02037446**

FBG Holdings (UK) Limited

Annual report and financial statements for the year ended 31 March 2014

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FBG Holdings (UK) Limited**Strategic report for the year ended 31 March 2014****Review of activities and future developments**

FBG Holdings (UK) Limited (the "Company") acts as a holding company for various subsidiary undertakings within the SABMiller group (the "Group") and the directors do not anticipate any change to this activity.

Results

The Company's loss for the financial year ending 31 March 2014 amounted to £18,608,000 (2013: £11,318,000 profit). The directors declared interim ordinary dividends for the year ended 31 March 2014 of £1,236,600,280 (2013: nil). No final dividend is proposed (2013: £nil).

During the year, amortisation charges of £350,000 (2013: £nil) were recognised in relation to intellectual property rights on trademarks and trade names owned by the Company.

During the year, the Company received a preference share dividend income of £99,800,000 from Tibsco Limited, against its accumulated preference share dividend receivable of £117,657,198. The Company waived the remaining balance of the preference share dividend receivable of £17,857,198. The dividend waived has been classified within interest payable and similar charges (see note 6) within the profit and loss account in accordance with IFRS 7 'Financial Instruments – Disclosures'.

During the year, the Company reduced its share capital by cancelling and extinguishing 276,276,774 ordinary shares of £1 each, 857,996,901 W class shares of £1 each and reduced its share premium account from £71,052 to nil, pursuant to section 641(1)(a) of the Companies Act 2006. This was carried out as part of a reorganisation of the group of UK companies acquired as part of the Foster's Group acquisition. Further details of the movements in capital and reserves can be found in the statement of changes in equity. In addition, impairments of £655,469,317 and £254,002,434 were recorded against the Company's investments in FBG Brewery Holdings (UK) Limited and FBG Treasury (UK) Limited respectively. Further details can be found in note 9.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of SABMiller plc, which include those of the Company, are discussed on pages 18 and 19 of the Group's 31 March 2014 annual report which does not form part of this report. The consolidated financial statements for SABMiller plc are available at the address noted in note 16 to these financial statements.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board


.....
W. Warner
Company Secretary

10 December 2014

FBG Holdings (UK) Limited

Directors' report for the year ended 31 March 2014

The directors present their annual report and audited financial statements of the Company for the year ended 31 March 2014.

Dividends

The directors paid an interim dividend of £1,236,600,000 (2013: nil). No final dividend was declared (2013: £nil).

Financial risk management

The Company is a subsidiary undertaking within the Group. Cash funds of the Group are managed at a Group level.

Liquidity and interest rate risk

The Company's arrangements with the Group, as described above, ensure it can access the funds needed to meet its liquidity requirements as cash can be obtained through Group funding. The Group's liquidity requirements and interest rate risks are managed at a Group level.

Currency risk

The Company's functional currency is UK pounds and it also presents its financial statements in UK pounds. Some transactions undertaken by the Company are denominated in currencies other than UK pounds.

Post balance sheet events

The preference shares receivable from Tibsco Limited of £100,000,000 were settled in November 2014.

Directors

The following directors held office during the year and up to the date of signing the financial statements:

V.J. Balchin	Appointed:1 September 2014
T. M. Boucher	
J. K. Gay	
P. H. B. Learoyd	
D. P. Mallac	
S. V. Shapiro	
S. R. Videlo	Resigned:4 August 2014

Directors' insurance and indemnity

SABMiller plc maintains directors' and officers' liability insurance in respect of its directors and those directors of its subsidiary companies. During the year under review one director had the benefit of an indemnity granted by SABMiller plc to its directors and officers in relation to certain losses and liabilities which they may incur in the course of acting as directors or officers of the Company or of one or more of its subsidiaries.

Statement of directors' responsibilities

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 the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

FBG Holdings (UK) Limited**Directors' report for the year ended 31 March 2014 (continued)**

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Statement of disclosure of information to auditors

The Companies Act 2006 requires directors to provide the Company's auditors with every opportunity to take whatever steps and undertake whatever inspections the auditors consider to be appropriate for the purpose of enabling them to give their audit report. Each of the directors, having made appropriate enquiries, confirms that:

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

The directors' approval of the financial statements appears on page 9.

Independent auditors

The Company's external auditors, PricewaterhouseCoopers LLP, have audited the financial statements and their unqualified report appears on pages 6 - 7.

PricewaterhouseCoopers LLP have expressed their willingness to act and are deemed to continue in office as the Company's auditors.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, SABMiller plc. The directors have received confirmation that SABMiller plc intends to support the Company for the foreseeable future.

FBG Holdings (UK) Limited

Directors' report for the year ended 31 March 2014 (continued)

On behalf of the Board


.....
W. Warner
Company Secretary

Date: 10 December 2014

FBG Holdings (UK) Limited

Independent auditors' report to the members of FBG Holdings (UK) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 March 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by FBG Holdings (UK) Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended;
- the statement in changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

Opinion on other matter prescribed by the Companies Act 2006

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

FBG Holdings (UK) Limited

Independent auditors' report to the members of FBG Holdings (UK) Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Jonathan Lambert (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 December 2014

FBG Holdings (UK) Limited**Profit and loss account for the year ended 31 March**

	Note	2014 £'000	2013 £'000
Turnover	3	904,614	11,624
Amortisation of trademarks	8	(350)	-
Impairment of investment in subsidiary undertaking	9	(909,473)	(8,630)
Administrative expenses	4	(1,064)	(1,106)
(Loss) / profit on ordinary activities before exceptional items, interest and taxation		(6,273)	1,888
Profit on disposal of subsidiary		-	570
(Loss) / profit on ordinary activities before interest and taxation		(6,273)	2,458
Net interest (payable) / receivable and similar (charges) / income	6	(10,804)	9,144
(Loss) / profit on ordinary activities before taxation		(17,077)	11,602
Tax on (loss) / profit on ordinary activities	7	(1,531)	(284)
(Loss) / profit for the financial year		(18,608)	11,318

All amounts relate to continuing operations.

There is no difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above, and their historical cost equivalents.

The Company has no recognised gains or losses other than the profits and losses above and therefore no separate statement of total recognised gains or losses has been presented.

The notes on pages 11 to 19 form part of the financial statements.

FBG Holdings (UK) Limited**Balance sheet as at 31 March**

	Note	2014 £'000	2013 £'000
Assets			
Fixed assets			
Intangible assets	8	3,150	3,500
Investments in subsidiaries	9	1,310	910,783
Investments in associates	9	11,032	11,032
		15,492	925,315
Current assets			
Preference shares receivable	10	100,000	100,000
Debtors: amounts falling due within one year	11	1,653	250,979
Current assets		101,653	350,979
Current liabilities			
Creditors: amounts falling due within one year	12	101,285	1,264
Corporation tax payable		126	126
Current liabilities		101,411	1,390
Net current assets		242	349,589
Total assets less current liabilities		15,734	1,274,904
Net assets		15,734	1,274,904
Capital and reserves			
Called up share capital	13	-	1,134,274
Share premium account		-	71
Profit and loss account		15,734	140,559
Total shareholders' funds		15,734	1,274,904

The notes on pages 11 to 19 form part of the financial statements.

For the year ended 31 March 2014 the financial statements on pages 8 to 19 were approved by the board of directors on 10 December 2014 and signed on its behalf by



T Boucher
Director

FBG Holdings (UK) Limited**Statement of changes in equity for the year ended 31 March**

	Called up share capital £'000s	Share premium account £'000s	Profit and loss account £'000s	Total shareholders' funds £'000s
At 1 April 2013	1,134,274	71	140,559	1,274,904
Loss for the year	-	-	(18,608)	(18,608)
Group relief surrendered for current and prior year in excess of the associated tax saving (see note 7)	-	-	(3,962)	(3,962)
Share capital and share premium reduction (see note 13)	(1,134,274)	(71)	1,134,345	-
Ordinary dividends paid	-	-	(1,236,600)	(1,236,600)
At 31 March 2014	-	-	15,734	15,734

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014****1. General information**

The Company is a private limited company, incorporated in England and Wales and domiciled in the UK.

2. Summary of significant accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 16 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS (as adopted by the European Union) may be obtained.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IFRS 7 *Financial Instruments: Disclosures* per FRS 101 (paragraph 8(d))
- The requirements of IAS 7 *Statement of Cash Flows* per FRS 101 (paragraph 8(h))
- The requirements in IAS 24 *Related Party Disclosures* per FRS 101 (paragraph 8(k))

Cash flow statement

SABMiller plc, the ultimate parent company, publishes a consolidated cash flow statement, which includes the cash flows of the Company. The Company has therefore taken advantage of the exemption granted by Financial Reporting Standard 101 – 'Reduced Disclosure Framework', to not present a cash flow statement.

Changes in accounting policy and disclosure*New and amended standards adopted by the Company*

All the new standards and amendments requiring compulsory application and which are effective for the Company's accounting year ended 31 March 2014 have been taken into consideration in preparing the financial statements. New and amended standards have not had a material impact on the financial statements or performance of the Company.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

Dividend distributions

Dividend distributions to equity shareholders are recognised as a liability in the financial statements of the Company in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid. Dividends declared after the balance sheet date are not recognised, as there is no present obligation at the balance sheet date.

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014 (continued)****Dividend income**

Dividend income is recognised when the right to receive payment is established.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss account, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Company has no financial assets classified as at fair value through the profit and loss account as available for sale.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Financial liabilities

Financial liabilities are measured at fair value on initial recognition. For all financial liabilities not subsequently measured at fair value through the profit and loss account, the transaction costs directly attributable to the acquisition of the financial liabilities are also recognised.

Loans and borrowings

All loans and borrowings except for certain inter-entity loans and borrowings are non-interest bearing and are initially recognised at fair value and subsequently recorded at amortised cost, representing the present value of the loan, calculated using the effective interest rate of the loan or borrowing over its term. They are included in current liabilities, unless the Company has an unconditional right to defer settlement of the loan or borrowing for at least 12 months after the end of the reporting period. Costs incurred with borrowings are expensed to the profit and loss account as they are incurred.

Foreign currencies

Transactions in foreign currency are converted to GBP at the rate of ruling at the date of the transaction or, where forward foreign currency contracts have been taken out, at contractual rates. All differences on exchange are taken to the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies are translated into GBP at the rates of exchange ruling at the balance sheet date. Trading transactions are expressed at the rates ruling at the date of the transaction. Any profits or losses on translation are included in the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rate of exchange ruling at the date of the transaction.

Hedging

The Company does not use financial instruments to hedge its assets and liabilities that are denominated in foreign currencies.

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014 (continued)****Impairment**

The carrying amounts of the Company's assets are reviewed at each end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation (if applicable) and impairment losses. Cost is usually determined as the amount paid by the Company, unless the asset has been acquired as part of a business combination. Amortisation is included within operating costs in the Profit and Loss account. Intangible assets with finite lives are amortised over their estimated useful economic lives, and only tested for impairment where there is a triggering event. The Directors' assessment of the useful life of intangible assets is based on the nature of the asset acquired, the durability of the products to which the asset attaches and the expected future impact of competition on the business.

A licence for a trademark is recognised as an intangible asset where it has a long term value and where the licence could be sold separately from the rest of the business and the earnings attributable to it are separately identifiable. Where the acquired licence has a finite useful economic life, it is subject to amortisation, which in respect of licences currently held is 10 years on a straight line basis.

Investments

Investments are stated individually at the lower of cost and their recoverable amount, which is determined as the higher of net realisable value and value in use. A review for the potential impairment of an investment is carried out if events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. Such impairment reviews are performed in accordance with FRS 11 'Impairment of fixed assets and goodwill'.

Preference share receivable

Where the Company invests in financial instruments they are treated as equity (that is, classified as an investment) only to the extent that there are no contractual obligations upon the issuer to deliver cash or other financial assets. Where the issuer of the instrument in which the entity has invested has a contractual obligation to deliver cash or other financial instruments, the preference shares purchased by the Company and the proceeds due to the Company are classified as financial assets. Finance receipts associated with financial assets (including preference shares) are classified in the profit and loss account as part of interest income.

Revenue

Revenue represents the amounts derived from investments in subsidiary companies and is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the companies activities as described below.

- Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

- Dividend income

Dividend income is recognised when the right to receive payment is established.

- Royalty income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreement.

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014 (continued)****Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Taxation

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. The Company's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

3. Turnover

	2014	2013
	£'000	£'000
Income from shares in group undertakings	890,455	-
Income from shares in associate undertakings	11,238	8,584
Royalty income	2,921	3,040
	904,614	11,624

Royalty income is derived from contracts and licencing agreements to brew and distribute branded products in North America and Australia and New Zealand.

4. Administrative expenses

	2014	2013
	£'000	£'000
Administrative expenses	81	25
Realised foreign exchange loss	983	1,081
	1,064	1,106

Auditors' remuneration of £42,300 (2013: £4,700) has been borne by the Company in relation to its own audit and those of other group undertakings.

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014 (continued)****5. Key management compensation and employees**

Key management personnel are considered to be the directors and the secretary of the Company. The Company had no employees in the year (2013: none). None of the key management personnel received any remuneration for their services as key management personnel of FBG Holdings (UK) Limited (2013: none) and are not employed by the Company.

During the year, five key management personnel (2013: five) exercised options over US 10 cent shares of SABMiller plc.

Pension contributions, on behalf of the key management personnel, were made by their employing companies within the group.

6. Net interest (payable) / receivable and similar (charges) / income

	2014 £'000	2013 £'000
Interest receivable and similar income		
Receivable from related parties	13	181
Preference shares dividend (note 11)	7,382	8,500
Fair value gain on derivative financial instrument	119	-
Unrealised foreign exchange gain	-	463
	7,514	9,144
Interest payable and similar charges		
8.5% cumulative preference shares dividend receivable waived (note 11)	(17,857)	-
Unrealised foreign exchange loss	(461)	-
	(18,318)	-
Net interest (payable) / receivable and similar (charges) / income	(10,804)	9,144

Preference dividends of £7,382,198 were accrued during the year. The Company received a preference share dividend income of £99,800,000 from Tibsco Limited, against its accumulated preference share dividend receivable of £117,657,198. The Company waived the remaining balance of the preference share dividend receivable of £17,857,198.

7. Tax on (loss) / profit on ordinary activities

a) Analysis of charge / (credit) in year	2014 £'000	2013 £'000
Current tax		
UK corporation tax on (losses) / profits for the year	633	(44)
Foreign tax	133	284
Adjustments in respect of prior years	765	44
Total current tax	1,531	284

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014 (continued)****b) Factors affecting the tax charge/ (credit) for the year**

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2014 of 23% (2013: 24%).

The differences are explained below:

	2014	2013
	£'000	£'000
(Loss) / profit on ordinary activities before taxation	(17,077)	11,602
(Loss) / profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 23% (2013: 24%)	(3,928)	2,784
Effects of:		
Non deductible impairment charge	209,262	1,934
Adjustments in respect of prior years	765	44
Non-taxable income	-	(2,040)
Non-deductible preference share dividend payments	(1,698)	-
Non-taxable preference dividend waivers	4,107	-
Dividend income	(207,389)	(2,060)
Tax on interest imputed on non-interest bearing inter-company loans	412	682
Withholding Tax	133	284
Double tax relief	(133)	(284)
Group relief surrendered for nil consideration	-	(1,060)
Total tax charge for the year	1,531	284

The total tax charge for the year, along with the tax charge taken to equity in respect of Group Relief, will be settled by payment for losses surrendered by fellow group companies in the new financial year.

8. Intangible assets

	2014	2013
	£'000	£'000
Cost		
At 1 April	3,500	3,500
At 31 March	3,500	3,500
Accumulated amortisation		
At 31 March	350	-
Net book value at 31 March	3,150	3,500

During the year, amortisation charges of £350,000 (2013: £nil) were recognised in relation to intellectual property rights on trademarks and trade names owned by the Company (see note 2 on intangible assets policy).

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014 (continued)****9. Investments**

	2014 £'000	2013 £'000
Investment in subsidiaries		
Cost		
At 1 April	1,092,892	1,092,904
Disposals	-	(12)
At 31 March	1,092,892	1,092,892
Accumulated impairment		
At 1 April	182,109	173,479
Impairment charge	909,473	8,630
At 31 March	1,091,582	182,109
Net book value at 31 March	1,310	910,783
	2014 £'000	2013 £'000
Investment in associates		
Cost		
At 1 April	11,032	11,032
At 31 March	11,032	11,032

At 31 March 2014, the subsidiary undertakings were:

Name of company	Country of principal activity and registration	Shares held	Percentage of share class and voting rights	Nature of business
FBG Brewery Holdings UK Limited	England	Ordinary	100	Dormant
FBG Treasury (UK) Limited	England	Ordinary	100	Dormant
Dreamgame Limited	England	Ordinary	100	Dormant
Dreamgame Limited	England	Preference	100	Dormant

During the year the Company recognised an impairment of £655,469,317 in FBG Brewery Holdings (UK) Limited and an impairment of £254,002,434 in FBG Treasury (UK) Limited, corresponding to the difference between the cost of the investment and the net asset position of the subsidiaries.

At 31 March 2014, the associate undertaking was:

Name of company	Country of principal activity and registration	Shares held	Percentage of share class and voting rights*	Nature of business
International Trade and Supply Limited	British Virgin Islands	Ordinary	39.95	Beer distribution

(*) 399,500 ordinary shares of US\$1 each (39.95% of class)

The carrying value of the investments is supported by their underlying net assets

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014 (continued)****10. Preference shares receivable**

	2014	2013
	£'000	£'000
Preference shares receivable	100,000	100,000

The 100,000,000 allotted and fully paid 'A' redeemable preference shares of £1 each (2013: 100,000,000) issued from Tibsco Limited, carried a fixed cumulative dividend of 8.5% per annum until 12 February 2014 when the board approved that the fixed dividend of 8.5% per annum be reduced to 0%.

11. Debtors: amounts falling due within one year

	2014	2013
	£'000	£'000
Loans owed by fellow group undertakings	-	140,472
Preference dividends owed by fellow group undertakings	-	110,275
Amounts owed by fellow group undertakings	1,653	232
	1,653	250,979

The fair value of receivables approximates to their book value. Other receivables are all recorded at amortised cost.

Receivables from group fellow undertakings are not considered impaired. These relate to subsidiary undertakings for which there is no history of default. No receivables are considered past due.

The maximum exposure to credit risk at each reporting date is the fair value of each receivable shown above.

The carrying amounts of trade and other receivables are denominated pounds sterling, which is the functional currency of the respective subsidiaries.

Preference shares dividends income of £7,382,198 was accrued during the year. The Company received a preference share dividend income of £99,800,000 from Tibsco Limited, against its accumulated preference share dividend receivable balance of £117,657,198. The Company waived the remaining balance of the preference share dividend receivable of £17,857,198.

12. Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts owed to fellow group undertakings	101,244	1,229
Accruals	41	35
	101,285	1,264

All amounts owed to fellow group undertakings are non-interest bearing, unsecured and repayable on demand.

FBG Holdings (UK) Limited**Notes to the financial statements for the year ended 31 March 2014 (continued)****13. Called-up share capital**

	2014 £'000	2013 £'000
Authorised		
400,000,000 (2013: 400,000,000) ordinary shares of £1 each	400,000	400,000
857,996,901 (2013: 857,996,901) 'W' class shares of £1 each	857,997	857,997
	1,257,997	1,257,997
Allotted and fully paid		
1 (2013: 276,276,775) ordinary shares of £1 each	-	276,277
0 (2013: 857,996,901) 'W' class shares of £1 each	-	857,997
	-	1,134,274

During the year, the Company reduced its share capital by cancelling and extinguishing 276,276,774 ordinary shares of £1 each and 857,996,901 W class of £1 each. It also reduced its share premium account from £71,052 to nil, pursuant to section 641(1)(a) of the Companies Act 2006.

14. Statement of changes in equity

The statement of changes in equity sets out share capital and reserves as explained below:

Called-up share capital

The balance classified as share capital includes the total proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

Share premium account

The share premium consists of proceeds received in excess of the nominal value of the shares on the issue of the Company's equity share capital.

Profit and loss account

This reserve records the earnings of the Company less distributions to shareholders.

15. Related party transactions

The Company has taken advantage of the exemption provided under FRS 101 (paragraph 8(k)), not to disclose transactions with subsidiaries which are wholly owned. During the year the Company had no transactions with subsidiary undertakings in which the Group does not hold 100% interest.

16. Ultimate parent undertaking

As at 31 March 2014 the Company's immediate parent company is Carlton and United Breweries Holdings (UK) Limited, a company incorporated in the UK.

At 31 March 2014, the ultimate parent undertaking and controlling party was SABMiller plc, a company incorporated in England and Wales. Copies of SABMiller plc consolidated financial statements can be obtained from the Assistant Company Secretary at SABMiller House, Church Street West, Woking, GU21 6HS.

17. Post balance sheet events

The preference shares receivable from Tibsco Limited of £100,000,000 were settled in November 2014.