

Registered number: 02255846

**Danone Holdings (UK)
Financial Statements
for the year ended 31 December 2012**

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Danone Holdings (UK)

Contents

Directors and advisers for the year ended 31 December 2012	1
Directors' report for the year ended 31 December 2012	2
Independent Auditors' report to the members of Danone Holdings (UK)	5
Profit and loss account for the year ended 31 December 2012	7
Balance sheet as at 31 December 2012	8
Notes to the financial statements for the year ended 31 December 2012	9

Danone Holdings (UK)

Directors and advisers for the year ended 31 December 2012

Directors

C D Bombled

E Vass

Company Secretary

S Page

Registered Office

7th Floor

52-54 Gracechurch Street

London

EC3V 0EH

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Savannah House

3 Ocean Way

Ocean Village

Southampton

SO14 3TJ

Bankers

HSBC Bank plc

Regional Services Centre Europe

PO Box 61004

62-76 Park Street, 2nd Floor

London

SE1 9RX

Danone Holdings (UK)

Registered number: 02255846

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

Principal activity

Danone Holdings (UK) is the top UK holding company of the Danone group, with subsidiaries in all four divisions of Danone (Dairy, Water, Baby and Medical)

Business review

Danone Holdings (UK) performs the strategic overarching management function of Danone Group's businesses in the UK

In 2011 Danone Holdings (UK) acquired the entire issued share capital of Complan Foods Limited and the entire issued share capital of UK Holdings CAP (Commonwealth, Asia and Pacific) Limited

Results and dividends

The profit for the financial year amounted to €4,506,000 (2011 €88,680,000) Dividends totalling €Nil (2011 €Nil) were paid during the year The directors have not recommended the payment of a dividend up to and including the date of signing the financial statements

Principal risks and uncertainties

As the company acts as a holding company for its subsidiaries its business is not exposed to any external risks or uncertainties other than through its subsidiaries' operations

Financial risk management

The company's operations do not expose it to significant risk with regards to price or credit risk because it has no trade

Foreign exchange risk

The company is exposed to foreign exchange risk principally in respect of British Pounds Sterling Foreign exchange risk is primarily in respect of retranslating the company's sterling bank account and amounts due to or from third parties in sterling These balances are unhedged, however foreign exchange gains and losses are not expected to be significant to the company

Liquidity risk

Debt and cash balances predominantly relate to amounts payable to and receivable from fellow group undertakings Such balances are managed to ensure the company has sufficient available funds for its operations

The directors will revisit the appropriateness of this policy should the company's operations significantly change in size or nature

Interest rate cash flow risk

The company has an interest bearing liability in the form of a loan from a fellow group undertaking, which incurs interest at a fixed rate The company has no variable rate loans

Key performance indicators

Given the nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not appropriate in helping understand the development, performance or position of the business

Danone Holdings (UK)

Directors' report for the year ended 31 December 2012 (continued)

Directors

The following persons acted as directors of the company during the year and up to the date of signing the financial statements

C D Bombled

L Sauquet (resigned 15 November 2012)

E Vass

J J Y Payen (resigned 24 May 2012)

Directors' indemnities

Third party indemnity insurance is provided by the ultimate parent company and was in place for all directors during 2012 and continues to be in place at the date of signing the financial statements

Future developments

The company's year end financial position was considered satisfactory and the directors expect that the present activity will be sustained for the foreseeable future

Directors' responsibilities statement

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 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.

Danone Holdings (UK)

Directors' report for the year ended 31 December 2012 (continued)

Disclosure of information to auditors

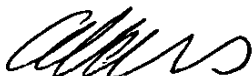
In the case of each of the persons who are directors as of the date of this report So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware

Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Independent auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as independent auditors will be proposed at the forthcoming annual general meeting

By Order of the Board on 24 September 2013



E Vass
Director

Danone Holdings (UK)

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

We have audited the financial statements of Danone Holdings UK for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the 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 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.

Scope of the audit of the financial statements

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 directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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.

Danone Holdings (UK)

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

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



Trevor Smith (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
25 September 2013

Danone Holdings (UK)

Profit and loss account for the year ended 31 December 2012

	Note	2012 €'000	2011 €'000
Administrative expenses		(121)	(1,098)
Operating loss		(121)	(1,098)
Income from shares in group undertakings		29,306	99,155
Interest receivable and similar income	2	194	1,138
Interest payable and similar charges	2	(32,893)	(14,378)
(Loss) / Profit on ordinary activities before taxation		(3,514)	84,817
Tax on (loss)/profit on ordinary activities	3	8,020	3,863
Profit for the financial year	11,12	4,506	88,680

The company had no recognised gains and losses in the current and prior year other than those included in the profit and loss account above, therefore no separate statement of total recognised gains and losses has been presented

All of the company's activities are continuing in both the current and prior year

There is no material difference between the (loss) / profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents in both the current and prior year

The notes on pages 9 to 17 form part of these financial statements

Danone Holdings (UK)

Balance sheet as at 31 December 2012

Registered Number: 02255846

	Note	2012 €'000	2012 €'000	2011 €'000	2011 €'000
Fixed assets					
Investments	4		6,240,195		6,240,195
Current assets					
Debtors	5	102,866		65,968	
Creditors: amounts falling due within one year	6	(46,980)		(14,593)	
Net current assets			55,886		51,375
Total assets less current liabilities			6,296,081		6,291,570
Provisions for liabilities	7		(3,289)		(3,284)
Creditors: amounts falling due after more than one year	8		(800,000)		(800,000)
Net assets			5,492,792		5,488,286
Capital and reserves					
Called up share capital	9		147,240		147,240
Share premium account	10		5,240,740		5,240,740
Profit and loss account	10		104,812		100,306
Total shareholders' funds	11		5,492,792		5,488,286

The financial statements on pages 7 to 17 were approved and authorised for release by the board of directors on 24 September 2013 and were signed on its behalf by



E Vass
Director

The notes on pages 9 to 17 form part of these financial statements

Danone Holdings (UK)

Notes to the financial statements for the year ended 31 December 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The accounting policies set out below have been consistently applied during the year.

Local currency

The company's local currency is the Euro. This reflects the currency in which funds from financing activities are generated and also the currency in which the company's predominant recurring cash flows are denominated.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are translated into Euro at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities are translated into Euro at the historical exchange rate that prevailed when the transaction occurred. All differences on exchange are taken to the profit and loss account.

Consolidation

In accordance with Section 401 of the Companies Act 2006 the company is not required to prepare group financial statements as it is a wholly owned subsidiary of Danone SA, a company incorporated under the law of a member state of the European Economic Community. The results of the company are included in the group financial statements prepared by that company, which are publicly available (see note 14).

Cash flow statement

The company is a wholly owned subsidiary within a group that prepares consolidated financial statements which are publicly available (see note 14). The company has taken advantage of the exemption from preparing a cash flow statement included in FRS1 (revised 1996) "Cash Flow Statements".

Fixed asset investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment.

Impairment

Investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is any indication of potential diminution in value, an impairment evaluation is performed to determine whether the estimated recoverable amount is lower than the carrying value. Where this is the case, the shortfall amount is charged to the profit and loss account. Recoverable amount is determined as the higher of net realisable value and value in use.

Danone Holdings (UK)

Notes to the financial statements for the year ended 31 December 2012 (continued)

1 Accounting policies (continued)

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term

Onerous Leases

Provisions for onerous leases are recognised and measured based on the company's best estimate of the present obligation under the contract

Current tax

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

2 (Loss) / Profit on ordinary activities before taxation

(Loss) / Profit on ordinary activities before taxation is stated after charging/(crediting)

	2012 €'000	2011 €'000
a) Services provided by the company's auditor		
Fees payable for the audit	15	73
Fees payable for other services		29
	15	102
b) Interest receivable and similar income		
- Income derived from group undertakings	(147)	(201)
- Foreign exchange gains	(47)	(937)
	(194)	(1,138)
c) Interest payable and similar charges		
- Interest payable on loan from group undertaking	32,890	14,378
- Foreign exchange swap fees	3	-
	32,893	14,378
d) Operating leases		
- Lease rental of warehouse	520	520
- Income received from sublet of warehouse	(520)	(520)
	-	-

Danone Holdings (UK)

2 (Loss) / Profit on ordinary activities before taxation (continued)

Directors' emoluments

The directors received no emoluments through this company (2011 €nil)

The emoluments of the directors are paid by other group undertakings. The directors' emoluments are deemed to be wholly attributable to their services to these other group undertakings. Accordingly, no emoluments are disclosed in these financial statements.

Employee costs

The company has no members of staff (2011 none)

3 Tax on (loss) / profit on ordinary activities

	2012 €'000	2011 €'000
Current tax		
UK corporation tax credit on profit of the year	(8,020)	(3,587)
Adjustment in respect of prior years	-	(276)
Total current tax	(8,020)	(3,863)

The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below.

	2012 €'000	2011 €'000
(Loss) / profit on ordinary activities before taxation	(3,514)	84,817
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	(861)	22,477
Effects of		
- Expenses not deductible for tax purposes	21	302
- Non taxable reversal of provision		(90)
- Non taxable dividends received	(7,180)	(26,276)
- Adjustment in respect of prior years	-	(276)
Current tax credit for the year	(8,020)	(3,863)

The company has no recognised or unrecognised deferred tax balances.

Danone Holdings (UK)

Notes to the financial statements for the year ended 31 December 2012 (continued)

3 Tax on (loss) / profit on ordinary activities (continued)

Factors that may affect future tax charge

The Finance Act 2012, enacted as Finance Act 2012 in July 2012, reduced the main corporation tax rate from 26% to 24% with effect from 1 April 2012. In addition, the Finance Act 2012 included a further reduction of the main corporation tax rate to 23%, with effect from 1 April 2013.

Further changes to the UK corporation tax system were announced in the December 2012 Autumn Statement and the March 2013 Budget Statement. In the Finance Bill 2013 the UK main rate of corporation tax was reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. These further changes had not been substantively enacted at the balance sheet date, and therefore are not included in these financial statements.

4 Fixed asset investments

	Interests in Subsidiary Undertakings
	€'000
Cost and net book value	
At 1 January 2012 and 31 December 2012	6,240,195

The directors believe that the carrying value of the investment amount is supported by their future cash flows.

The directors do not consider there to be any indication of impairment of the carrying value of the investments held.

Dumex Philippines Inc, EAC (Philippines) Inc, and EAC Distributors Inc are non UK subsidiaries that are in liquidation. 100% of the ordinary share capital of each of these companies is held indirectly. These three companies are incorporated in the Philippines.

Danone Holdings (UK)

Notes to the financial statements for the year ended 31 December 2012 (continued)

4 Fixed asset investments (continued)

Details of subsidiary undertakings

Name of Company	Country of incorporation or registration	Class of shares held	Nature of Business	Proportion of class held	
				Direct	Indirect
Danone Limited	England & Wales	Ordinary	Importers and distributors of dairy and other products	100%	
Danone Waters (UK & Ireland) Limited	England & Wales	Ordinary	Importers, distributors and producer of mineral water	100%	
UK Holdings CAP (Commonwealth, Asia and Pacific) Limited	England & Wales	Ordinary	Holding	100%	
Complan Foods Limited	England & Wales	Ordinary	Distributor of nutritional food supplements	100%	
Nutricia (Cow & Gate, Milupa) Holdings Limited	England & Wales	Ordinary	Holding		100%
Nutricia Limited	England & Wales	Ordinary	Baby and advanced medical nutrition products		100%
Cow & Gate Pension Trustees Limited	England & Wales	Ordinary	Pension Trustee Company		100%
Nutricia Trustees Limited	England & Wales	Ordinary	Pension Trustee Company		100%
Scientific Hospital Supplies Holdings Limited	England & Wales	Ordinary & Deferred	Holding		100%
SHS International Limited	England & Wales	Ordinary	Advanced medical nutrition products		100%
Scientific Hospital Supplies (UK) Limited	England & Wales	Ordinary	Dormant		100%
Danone Asia Pacific Holdings Pte Limited	Singapore	Ordinary	Holding		100%
Danone Asia Pacific Manufacturing Pte Limited	Singapore	Ordinary	Non-trading		100%
PTNIS Holding Singapore Pte Limited	Singapore	Ordinary	Holding		100%
PTSH Holding Singapore Pte Limited	Singapore	Ordinary	Holding		100%
Dumex Nutrition Limited A/S	Denmark	Ordinary	Holding		100%
INC Shanghai (Holding) Limited A/S	Denmark	Ordinary	Holding		100%
International Nutrition Co Limited A/S	Denmark	Ordinary	Holding		100%
Dumex Baby Food Co Limited	China	Ordinary	Dairy, juice and similar products		100%
Dumex Limited	Thailand	Ordinary	Nutritional products		98.9%
Danone Dumex (Malaysia) Sdn Bhd	Malaysia	Ordinary	Nutritional products		100%
Danone Information Services – Asia Pacific Sdn Bhd	Malaysia	Ordinary	IT-related services		100%
INC Contract Manufacturers Sdn Bhd	Malaysia	Ordinary	Contract manufacturing services		100%
PT Nutricia Indonesia Sejahtera	Indonesia	Ordinary	Infant foods and related products		99.99%
PT San Husada	Indonesia	Ordinary	Nutritional products		99.97%
PT Sugizindo	Indonesia	Ordinary	Nutritional products		99.85%
Danone Vietnam Co Limited	Vietnam	Ordinary	Nutritional products		100%
Dumex Nutrition Limited	Hong Kong	Ordinary	Non-trading		100%
Nutricia International Pte Limited	India	Ordinary	Infant foods and related		99.9%

Danone Holdings (UK)

Notes to the financial statements for the year ended 31 December 2012 (continued)

5 Debtors

	2012 €'000	2011 €'000
Amounts receivable from fellow group undertakings	102,728	65,915
Other receivables	138	53
	102,866	65,968

Amounts receivable from fellow group undertakings are unsecured and repayable on demand

The amounts owed by group undertakings include €92,314,000 which bears no interest and €10,414,000 which bears interest at 0.12% (2011: 0.39%)

6 Creditors: amounts falling due within one year

	2012 €'000	2011 €'000
Amounts payable to fellow group undertaking	46,909	14,378
Other creditors	-	21
Accruals	71	194
	46,980	14,593

Amounts payable to fellow group undertakings are unsecured with a fixed interest rate of 4.1% and are not repayable on demand

7 Provisions for liabilities

	Property Lease Provision €'000	Total €'000
At 1 January 2012	3,284	3,284
Charged to the profit and loss account	5	5
At 31 December 2012	3,289	3,289

Provision on subleased warehouse

The company is the tenant on a warehouse lease expiring in 2031, the property is sublet until 2021 (with break clauses in 2014, 2017 and 2019) and a provision is recorded for the differences in terms on the head lease and sublet

Danone Holdings (UK)

Notes to the financial statements for the year ended 31 December 2012 (continued)

8 Creditors: amounts falling due after more than one year

	2012 €'000	2011 €'000
Amounts owed to fellow group undertakings		
Payable in more than 5 years	800,000	800,000
	800,000	800,000

An amount of €800,000,000 was lent to the company by Nutricia International BV on 25 July 2011. The loan is repayable on 25 July 2019, with a fixed interest rate of 4.1% payable annually on the last business day at the end of the accounting period. On 29 July 2011 Nutricia International BV assigned the loan to Danone Finance International SA.

9 Called up share capital

	Authorised	
	2012 €'000	2011 €'000
128,812,679 (2011 128,812,679) Ordinary shares of £1 each	147,240	147,240

	Allotted and fully paid	
	2012 €'000	2011 €'000
128,812,679 (2011 128,812,679) Ordinary shares of £1 each	147,240	147,240

10 Reserves

	Share premium account €'000	Profit and loss account €'000
As at 1 January 2012	5,240,740	100,306
Profit for the financial year	-	4,506
At 31 December 2012	5,240,740	104,812

Danone Holdings (UK)

Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Reconciliation of movements in shareholders' funds

	2012	2011
	€'000	€'000
Profit for the financial year	4,506	88,680
Issuance of share capital	-	5,372,000
Exchange differences due to change in local and presentation currency		(580)
Net increase in shareholders' funds	4,506	5,460,100
Opening shareholders' funds	5,488,286	28,186
Closing shareholders' funds	5,492,792	5,488,286

12 Operating lease commitments

The company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings 31 December 2012	Land and buildings 31 December 2011
	€'000	€'000
After 5 years	486	486
	486	486

13 Related party transactions

As the company is a wholly owned subsidiary of a group that prepares consolidated financial statements which are publicly available, the company has taken advantage of the exemption from disclosing transactions with group entities available under FRS 8 "Related party disclosures"

Danone Holdings (UK)

Notes to the financial statements for the year ended 31 December 2012 (continued)

14 Ultimate parent undertaking

The company's immediate parent undertakings are Produits Laitiers Frais Nord Europe, a company incorporated in France and Nutricia International BV, a company incorporated in the Netherlands

Produits Laitiers Frais Nord Europe owns 10 85% of the company's issued share capital, with the remaining 89 15% being held by Nutricia International BV

The smallest and largest group in which the results of the company are consolidated is that headed by Danone SA, which is the ultimate parent undertaking incorporated in France The directors regard Danone SA as the ultimate holding company and controlling party

The consolidated financial statements of Danone SA are available to the public and may be obtained from Danone, 17 Boulevard Haussman, 75009 Paris, France or alternatively at www.danone.com