

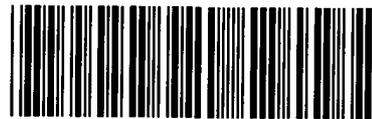
Registered number: 02255846

Danone Holdings (UK)

Annual Report and Financial Statements

For the year ended 31 December 2014

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# Danone Holdings (UK)

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# **Danone Holdings (UK)**

## **Directors and advisers for the year ended 31 December 2014**

### **Directors**

C D Bombled

E Vass (resigned 13/10/2014)

S House (appointed 13/10/2014)

### **Company Secretary**

Abogado Nominees Limited

Stephen Richard Page (resigned 01/08/2014)

### **Registered Office**

100 New Bridge Street

London

EC4V 6JA

### **Independent Auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

2 Glass Wharf

Avon Street

Bristol

BS2 0FR

### **Bankers**

HSBC Bank plc

Regional Services Centre Europe

PO Box 61004

62-76 Park Street – 2nd Floor

London

SE1 9RX

# Danone Holdings (UK)

## Strategic report for the year ended 31 December 2014

### 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), principally in the UK and the Far East.

### Business review

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

### Results and dividends

The results for the year and the financial position of the company as at 31 December 2014 are shown in the attached financial statements on pages 8 through 10. The loss for the financial year amounted to €1,189,271,000 (2013: €1,497,637,000 loss) which includes an impairment of €1,300,000,000 (2013: €1,500,000,000) to the company's investment in subsidiaries. Further details are given in note 5. The directors have not recommended the payment of a dividend up to and including the date of signing the financial statements (2013: €nil).

### 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, as it does not carry out any trading activities.

The primary risks facing the company are: foreign exchange risk, liquidity risk, and interest rate cash flow risk.

### Foreign exchange risk

The company is exposed to foreign exchange risk in respect of transactions and balances held in US dollars and pounds sterling, primarily in respect of retranslating the company's US dollar loans into Euros, the company's functional currency. These balances are unhedged, resulting in the potential for material foreign exchange gains and losses.

# Danone Holdings (UK)

## Strategic report for the year ended 31 December 2014 (continued)

### 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 also has an interest bearing asset in the form of a loan to 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.

Approved by the Board and signed on its behalf on 1 February 2016



**S House**  
Director

## Directors' report for the year ended 31 December 2014

### 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 Bomble  
E Vass (resigned 13/10/2014)  
S House (appointed 13/10/2014)

### Directors' indemnities

Third party indemnity insurance as defined by the Companies Act 2006 is provided by the ultimate parent company and was in place for all qualifying directors during 2014 and continues to be in place at the date of signing the financial statements.

### Future developments

The company's year-end financial position reflects the further impairment in the company's investments. Based on the forecasted cash flows of the underlying cash generating units, the directors do not anticipate further impairment for the foreseeable future. During 2016 the company will expand its role to act as a business services centre for Danone SA Group's businesses in the UK. This change in operation will alter the company's currency risk profile that the functional currency will become sterling.

### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 2014 (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.

Approved by the Board and signed on its behalf on 1 February 2016



**S House**  
Director

# Danone Holdings (UK)

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

### Report on the financial statements

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#### Our opinion

In our opinion, Danone Holdings (UK)'s financial statements (the "financial statements"):

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

#### What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account 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 the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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

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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.

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### Other matters on which we are required to report by exception

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#### 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.

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#### 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.

# Danone Holdings (UK)

## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) ("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 parent 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.

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### What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements. We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. 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.



Paul Nott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

2 February 2016

## Danone Holdings (UK)

### Profit and loss account for the year ended 31 December 2014

	Note	2014 €'000	2013 €'000
Administrative expenses		<b>(1,300,256)</b>	(1,500,185)
Analysed as:			
Administrative expenses excluding exceptional items		<b>(256)</b>	(185)
Exceptional administrative expenses	2	<b>(1,300,000)</b>	(1,500,000)
<b>Operating loss</b>		<b>(1,300,256)</b>	(1,500,185)
Income from shares in group undertakings		<b>29,076</b>	28,188
Interest receivable and similar income	3	<b>124,153</b>	30
Interest payable and similar charges	3	<b>(32,800)</b>	(33,335)
<b>Loss on ordinary activities before taxation</b>	3	<b>(1,179,827)</b>	(1,505,302)
Tax on loss on ordinary activities	4	<b>(9,444)</b>	7,665
<b>Loss for the financial year</b>	11, 12	<b>(1,189,271)</b>	(1,497,637)

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

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

The notes on pages 11 to 20 form part of these financial statements.

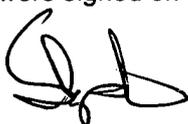
# Danone Holdings (UK)

Registered number: 02255846

## Balance sheet as at 31 December 2014

	Note	2014 €'000	2014 €'000	2013 €'000	2013 €'000
<b>Fixed assets</b>					
Investments	5		4,033,813		4,740,195
<b>Current assets</b>					
Debtors					
- amounts falling due within one year	6	88,263		58,303	
- amounts falling due after more than one year	6	771,874		683,091	
<b>Creditors: amounts falling due within one year</b>	7	<b>(8,067)</b>		<b>(54)</b>	
<b>Net current assets</b>			<b>852,070</b>		<b>741,340</b>
<b>Total assets less current liabilities</b>			<b>4,885,883</b>		<b>5,481,535</b>
<b>Creditors: amounts falling due after more than one year</b>	8	<b>(800,000)</b>		<b>(800,000)</b>	
Provisions for liabilities	9	(3,289)		(3,289)	
<b>Net assets</b>			<b>4,082,594</b>		<b>4,678,246</b>
<b>Capital and reserves</b>					
Called up share capital	10	740,860		147,241	
Share premium account	11	5,923,830		5,923,830	
Profit and loss account	11	(2,582,096)		(1,392,825)	
<b>Total shareholders' funds</b>	12	<b>4,082,594</b>		<b>4,678,246</b>	

The financial statements 8 to 20 were approved and authorised for release by the board of directors on 1/2/16 and were signed on its behalf by:



**S House**  
Director

The notes on pages 11 to 20 form part of these financial statements

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014

### 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 functional 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 400 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 publically available (see note 15).

#### **Cash flow statement**

The company is a wholly-owned subsidiary within a group that prepares consolidated financial statements, which are publicly available (see note 15), therefore the company has taken advantage of the exemption from preparing a cash flow statement included in FRS1 (revised 1996) "Cash Flow Statements".

#### **Investments**

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

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 1 Accounting policies (continued)

#### **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. See notes 2 and 5 for further information.

#### **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 Exceptional administrative expenses

An impairment evaluation was performed in 2013 to determine whether the estimated recoverable amount of some business units was lower than the carrying value, in line with the company's accounting policy. It was concluded that the estimated recoverable value for business units under UK Holdings CAP was €1,500,000,000 lower than its carrying value. This was due to a fall in the forecasted future cash flows for certain business units in the Baby division in the Far East. This shortfall was charged to the profit and loss account in 2013. A further impairment evaluation was carried out at 31 December 2014 and a further €1,300,000,000 impairment was identified following further reductions in the forecast future cashflows for Asian Early Life Nutrition businesses. See note 5 for further information.

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 3 Loss on ordinary activities before taxation

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

	2014 €'000	2013 €'000
a) Services provided by the company's auditors:		
Fees payable for the audit	16	16
	16	16
b) Interest receivable and similar income:		
- Income derived from group undertakings	(33,653)	(30)
- Foreign exchange gains	(90,500)	-
	(124,153)	(30)
c) Interest payable and similar charges:		
- Interest payable on loan from group undertaking	32,800	32,710
- Foreign exchange loss	-	625
	32,800	33,335
d) Operating leases:		
- Lease rental of warehouse	520	497
- Income received from sublet of warehouse	(520)	(494)
	-	3

#### Directors' emoluments

The directors received no emoluments through this company (2013: €nil).

The emoluments of the directors are paid by other group undertakings and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

#### Employee costs

The company has no members of staff (2013: none).

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 4 Tax on loss on ordinary activities

	2014 €'000	2013 €'000
Current tax:		
UK corporation tax credit on profit of the year	9,461	(7,715)
Adjustment in respect of prior years	(17)	50
<b>Total current tax</b>	<b>9,444</b>	<b>(7,665)</b>

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). The differences are explained below:

	2014 €'000	2013 €'000
<b>Loss on ordinary activities before taxation</b>	<b>(1,179,827)</b>	<b>(1,505,302)</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	<b>(253,663)</b>	<b>(349,983)</b>
Effects of:		
- Expenses not deductible for tax purposes	283,366	348,822
- Non taxable income	(13,991)	-
- Non-taxable dividends received	(6,251)	(6,554)
- Adjustment in respect of prior years	(17)	50
<b>Current tax charge/(credit) for the year</b>	<b>9,444</b>	<b>(7,665)</b>

The company has no recognised or unrecognised deferred tax balances (2013: €nil).

#### Factors that may affect future tax charge

The Finance Act 2014, which was enacted on 17 July 2013, includes legislation reducing the main UK corporation tax rate from 23% to 21% effective from 1 April 2014. A further reduction to 20% was also enacted on this date and will be effective from 1 April 2015. Further reductions to the corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2018 were enacted in November 2015.

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 5 Investments

	Investments in subsidiary undertakings €'000
<b>Cost</b>	
At 1 January 2014	6,240,195
Additions made in the year	593,618
<b>Cost at 31 December 2014</b>	<b>6,833,813</b>
<b>Impairment</b>	
At 1 January 2014	(1,500,000)
Impairment of UK Holdings CAP Ltd	(1,300,000)
<b>Impairment at 31 December</b>	<b>(2,800,000)</b>
<b>Carrying value at 31 December 2014</b>	<b>4,033,813</b>
Carrying value at 31 December 2013	4,740,195

Additions made in the year represent additional investment made in UK Holdings CAP (Commonwealth, Asia and Pacific) Limited.

The directors believe that the carrying value of the investments are supported by their future cash flows or net assets.

In supporting the carrying value of the certain of the investments, management has applied a value in use calculation based on the future cash flows of the businesses.

The cash flows used to determine the value in use of the cash generating units ("CGUs") are derived from the annual budgets and strategic plans of the CGUs, which are drawn up by management and cover a period of four years, and are extended, on the basis of the most recent forecasts, to:

- nine years for the Early Life Nutrition and Medical Nutrition divisions. The company use projections over nine years to better reflect the division's growth over this period, as the actual growth rate of the CGUs exceeds the long-term grow rate that the company applies to each of these GCU. This is in line with the Danone SA group policy.

Future cash flows beyond these periods are extrapolated using a long-term growth for the division as a whole:

- the operational assumptions used to calculate the terminal value are in line with the projections above in terms of cash flows; and
- the long-term growth rate is determined for each CGU, taking into account its average growth rate in recent years and its geographic area (macro-economic environment, demographics etc).

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 5 Investments (continued)

#### Sensitivities

The sensitivity analyses below have been determined on the basis of reasonably possible changes in assumptions applied.

The weighted average terminal growth rate applied is 2.5%. A 0.5% increase/decrease in the terminal growth rate would increase/decrease the value in use calculation by €248 million and €207 million respectively.

The post-tax weighted average cost of capital applied ("WACC") is 8.0%. A 0.5% increase/decrease in the WACC would decrease/increase the value in use calculation by €306 million and €400 million respectively.

#### 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	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%

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 5 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
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 Sari 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 products		99.9%
Nutricia Early Life Nutrition (Shanghai) Co Ltd	China	Ordinary	Infant foods and related products		100%

### 6 Debtors

	2014 €'000	2013 €'000
<b>Amounts falling due within one year:</b>		
Amounts owed by fellow group undertakings	88,002	58,289
Other debtors	261	14
	<b>88,263</b>	<b>58,303</b>

Amounts owed by fellow group undertakings are unsecured and repayable on demand.

The amounts owed by group undertakings include €88,002,000 (2013: €39,748,903) which bears no interest and no amounts which bears interest (2013: €18,539,678 at an interest rate of 0.12%).

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 6 Debtors (continued)

	2014 €'000	2013 €'000
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	771,874	683,091

The amounts owed by fellow group undertakings are repayable in four tranches each with different interest rates with interest payable annually. The amounts are not secured.

- \$300,000,000 is repayable on 16 December 2019, with a fixed interest rate of 4.00%.
- \$250,000,000 is repayable on 16 December 2020, with a fixed interest rate of 4.45%.
- \$200,000,000 is repayable on 16 December 2021, with a fixed interest rate of 4.73%.
- \$187,133,000 is repayable on 16 December 2022, with a fixed interest rate of 4.97%.

### 7 Creditors: amounts falling due within one year

	2014 €'000	2013 €'000
Amounts owed to group undertaking	8,038	-
Accruals	29	54
	8,067	54

Amounts owed to fellow group undertakings are unsecured with a fixed interest rate of 4.1% (2013: 4.1%) and are not repayable on demand.

### 8 Creditors: amounts falling due after more than one year

	2014 €'000	2013 €'000
Amounts owed to group undertakings:		
Payable in between 2 and 5 years	800,000	800,000

The amounts owed to fellow group undertakings are repayable on 25 July 2019, with a fixed interest rate of 4.1% (2013: 4.1%) payable annually on the last business day at the end of the accounting period. The amounts are not secured.

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 9 Provisions for liabilities

	Property lease provision €'000	Total €'000
At 1 January 2014	3,289	3,289
Charged to the profit and loss account	-	-
<b>At 31 December 2014</b>	<b>3,289</b>	<b>3,289</b>

#### 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 2015, 2017 and 2019) and a provision is recorded for the differences in terms on the head lease and sublease.

### 10 Called up share capital

	2014 €'000	2013 €'000
<b>Authorised</b>		
601,273,944 (2013: 128,813,679) Ordinary shares of £1 each	<b>740,860</b>	147,241
<b>Allotted and fully paid</b>		
601,273,944 (2013: 128,813,679) Ordinary shares of £1 each	<b>740,860</b>	147,241

On 31 July 2014 the company issued 137,384,265 shares for consideration of €173,618,433. As this was the nominal value of the shares at the date of issue no share premium was created.

On 17 October 2014 the company issued 335,076,000 shares for consideration of €420,000,000. As this was the nominal value of the shares at the date of issue no share premium was created.

# Danone Holdings (UK)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 11 Reserves

	Share premium account €'000	Profit and loss account €'000
At 1 January 2014	5,923,830	(1,392,825)
Loss for the financial year	-	(1,189,271)
<b>At 31 December 2014</b>	<b>5,923,830</b>	<b>(2,582,096)</b>

### 12 Reconciliation of movements in shareholders' funds

	2014 €'000	2013 €'000
Loss for the financial year	(1,189,271)	(1,497,637)
Issuance of share capital	593,619	683,091
Net decrease in shareholders' funds	(595,652)	(814,546)
Opening shareholders' funds	4,678,246	5,492,792
<b>Closing shareholders' funds</b>	<b>4,082,594</b>	<b>4,678,246</b>

### 13 Operating lease commitments

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

	Land and buildings	
	2014 €'000	2013 €'000
After 5 years	538	501

## **Danone Holdings (UK)**

### **Notes to the financial statements for the year ended 31 December 2014 (continued)**

#### **14 Related party transactions**

As the company is a wholly owned subsidiary of a group that prepares consolidated financial statements which are publicly available (note 15), the company has taken advantage of the exemption from disclosing transactions with group entities available under FRS 8 "Related party disclosures".

#### **15 Ultimate parent undertaking**

The company's immediate parent undertaking is Nutricia International BV, a company incorporated in the Netherlands.

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](http://www.danone.com).