

# **Pilsner Urquell International Limited**

## **Annual Report and Financial Statements of the Company for the year ended 31 March 2006**



**Incorporated in England and Wales under the Companies Act, 1985  
Registration Number 3950016**

# **Pilsner Urquell International Limited**

## **Annual Report and Financial Statements of the Company for the year ended 31 March 2006**

### **Table of Contents**

	<b>Page Number</b>
<b>Directors' Report</b>	<b>2 - 4</b>
<b>Auditors' Report</b>	<b>5</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8 - 10</b>

## **Pilsner Urquell International Limited**

### **Directors' Report for the year ended 31 March 2006**

The directors present their report and the audited financial statements for the year ended 31 March 2006.

#### **Principal Activities**

The principal activity of the company was to manage and market the Pilsner Urquell brand in the UK and overseas, on behalf of the ultimate brand owner. The winding down of this activity was concluded during the year.

#### **Results and Dividends**

The company made a loss for the year ended 31 March 2006 of £107,074 (2005: profit of £28,000). The detailed results are set out in the profit and loss account on page 6. No final dividend is proposed (2005: £nil).

#### **Future Developments**

The company is not trading and is expected to become dormant during the year to 31 March 2007.

#### **Directors and their Interests**

The following directors held office during the period:

G.A. Whitley  
S.V. Shapiro  
C.M. Bottomley (Alternate for G.A. Whitley)

None of the directors have any beneficial interest in the shares of the Company. According to the register kept by the Company, pursuant to the Companies Act 1985, the following directors have a beneficial interest in the shares of the Company's ultimate parent company, SABMiller plc.

	<b>31 March 2006</b>	<b>1 April 2005</b>
G.A. Whitley	2,902	2,902
C.M. Bottomley	750	500

Details of those directors who have been granted share options in the company's ultimate parent company, SABMiller plc, are on page 4.

#### **Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

In addition, the Companies Act 1985, 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

## **Pilsner Urquell International Limited**

### **Directors' Report for the year ended 31 March 2006 (continued)**

#### **Statement of Directors' Responsibilities (continued)**

for the purpose of enabling them to give their audit report. The directors, having made appropriate enquires, confirm that:

- as far as each 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 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 7.

#### **Auditors**

The Company's external auditors, PricewaterhouseCoopers LLP, have audited the financial statements and their unqualified report appears on page 5.

*PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.*

#### **Directors' Remuneration**

None of the directors received any remuneration for their services as directors of the Company (2005:nil). Mr Shapiro is employed by the ultimate parent company, SABMiller plc. Mr Bottomley during the year was employed by a fellow group company, SAB Management Services Limited, and by SABMiller plc from 1 April 2006. Mr Whitley is employed by Miller Brands (UK) Limited a fellow group company.

#### **Pensions**

Pension contributions, on behalf of the directors, were made by their employing companies within the Group and paid into a money purchase plan managed by Clerical Medical Investment Group (a member of the Halifax Group).

#### **Long Term Incentive Scheme - Share Option Schemes**

The Remuneration Committee of SABMiller plc, which is the ultimate parent company of Pilsner Urquell International Limited, is responsible for the approval of all relevant grants of discretionary share options for employees within the Group.

Since its listing on the London Stock Exchange, SABMiller plc has operated the SABMiller Approved Share Option Scheme (approved by the UK Inland Revenue with participation limited at any time to £30,000 of outstanding options), the SABMiller plc Executive Share Option No 2 Scheme and the SABMiller Executive Share Purchase Scheme (South Africa) (Mirror Scheme) for eligible Directors and senior employees within the SABMiller plc Group.

Full details of the various share incentive schemes can be found in SABMiller plc's report and accounts.

Options over SABMiller plc shares granted to the Company's directors are detailed in the tables on page 4.

**Pilsner Urquell International Limited**

**Directors' Report for the year ended 31 March 2006 (continued)**

**SABMiller plc Approved Share Option Scheme**

Director	Number of share options as at 01.04.05 or date of appointment if later	Share options granted during the year	Share options exercised during the year	Sub- scription price	Exercisable 3-10 years from	Number of share options as at 31.03.06
C.M. Bottomley	-	2,736	-	£8.28	20.05.05	2,736
S.V. Shapiro	6,818	-	6,818	£4.40	22.11.02	-
G.A. Whitley	-	3,623	-	£8.28	20.05.05	3,623

**SABMiller plc Unapproved Share Option No 2 Scheme**

Director	Number of share options as at 01.04.05 or date of appointment if later	Share options granted during the year	Share options exercised during the year	Sub- scription price	Exercisable 3-10 years from	Number of share options as at 31.03.06
G.A. Whitley	33,300	-	33,300	£5.705	31.05.02	-
	52,550	-	-	£4.1575	23.05.03	52,550
	35,600	-	-	£6.605	21.05.04	35,600
	-	26,200	-	£8.28	20.05.05	26,200
						114,350
S.V. Shapiro	21,000	-	21,000	£4.40	22.11.02	-
	22,400	-	-	£5.537	21.11.03	22,400
	5,000	-	-	£4.1575	23.05.03	5,000
	18,750	-	-	£6.605	21.05.04	18,750
	-	21,750	-	£8.28	20.05.05	21,750
						67,900
C.M. Bottomley	5,300	-	5,300	£5.705	31.05.02	-
	7,700	-	-	£4.1575	23.05.03	7,700
	5,050	-	-	£6.605	21.05.04	5,050
						12,750

**By Order of the Board**



William Warner  
Company Secretary

22/1/07  
Date

## **Pilsner Urquell International Limited**

### **Independent auditors' report to the members of Pilsner Urquell International Limited**

We have audited the financial statements of Pilsner Urquell International Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*  
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
London

22/11/07  
Date

**Pilsner Urquell International Limited**

**Profit and Loss Account for the year ended 31 March**

	<b>Notes</b>	<b>2006 £'000</b>	<b>2005 £'000</b>
Net operating (costs)/income	2	(107)	28
<b>(Loss)/Profit on ordinary activities before interest and taxation</b>		<hr/> (107)	<hr/> 28
<b>(Loss)/Profit on ordinary activities before taxation</b>		<hr/> (107)	<hr/> 28
Tax on profit on ordinary activities	4	-	-
<b>(Loss)/Profit on ordinary activities after taxation</b>	8/9	<hr/> (107)	<hr/> 28

All activities during the year are in respect of discontinued activities.

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

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

The notes on pages 8 to 10 form part of these financial statements.

**Pilsner Urquell International Limited**

**Balance Sheet as at 31 March**

	Notes	2006 £'000	2005 £'000
<b>Current assets</b>			
Debtors	5	275	1,497
Cash at bank and in hand		22	10
		<u>297</u>	<u>1,507</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(117)</u>	<u>(1,220)</u>
<b>Net current assets</b>		<u>180</u>	<u>287</u>
<b>Total assets less current liabilities</b>		<u>180</u>	<u>287</u>
<b>Net assets</b>		<u>180</u>	<u>287</u>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss reserve	8	180	287
<b>Equity shareholders' funds</b>	9	<u>180</u>	<u>287</u>

The notes on pages 8 to 10 form part of these financial statements.

The financial statements on pages 6 to 10 were approved by the board of directors on 22 January 2007 and were signed on its behalf by:



**S.V. Shapiro**  
**Director**



## **Pilsner Urquell International Limited**

### **Notes to the Financial Statements**

#### **1. Accounting Policies**

##### **Basis of Accounting**

These financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the fair valuation of financial instruments, and in accordance with the Companies Act 1985 and with accounting standards applicable in the United Kingdom (UK GAAP). A summary of the significant accounting policies are set out below.

##### **Foreign Currencies**

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.

##### **Deferred Taxation**

Deferred tax is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

##### **Cash Flow Statement**

SABMiller plc, the ultimate parent undertaking, 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 Number 1 (Revised), to not present a cash flow statement.

#### **2. Net operating costs/(income)**

	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration for audit services	6	5
Foreign exchange loss/(gain)	114	(47)
Other operating (income)/charges	(13)	14
	<u>107</u>	<u>(28)</u>

The Company had no employees in the year (2005: nil)

#### **3. Directors Remuneration**

The Directors received no remuneration in respect of their services in the year (2005: £nil).

During the year three directors (2005: two) exercised options over US 10 cent shares of SABMiller plc.

**Pilsner Urquell International Limited****Notes to the Financial Statements (continued)****4. Tax on profit on ordinary activities**

The tax charge for the year is £nil (2005:£nil).

The tax for the period is higher (2005: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
(Loss)/Profit on ordinary activities before tax	(107)	28
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005: 30%)	(32)	8
Effects of:		
Transfer pricing adjustment	15	11
Group loss relief surrendered/(received) in current year for no consideration	17	(19)
Current tax charge for the period	-	-

**Deferred Taxation**

No deferred taxation asset has been recognised as the Company is not expected to generate sufficient taxable profits in future years with which to offset the credits.

**5. Debtors**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Amounts owed by fellow group undertakings	275	1,497
	<u>275</u>	<u>1,497</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

**6. Creditors: Amounts falling due within one year**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
Loan from parent undertaking	-	879
Amounts owed to fellow group undertakings	88	68
Taxation and Social Security	-	13
Other creditors	29	260
	<u>117</u>	<u>1,220</u>

Loan from parent undertaking was interest bearing at a rate of six months US\$ Libor plus 0.75% and was repayable on demand with no fixed payment date.

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

**Pilsner Urquell International Limited**

**Notes to the Financial Statements (continued)**

<b>7. Called up Share Capital</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 Ordinary shares of £1 each (2005: 1,000)	1,000	1,000
<b>Allotted and fully paid</b>		
1 Ordinary shares of £1 each (2005: 1)	1	1

<b>8. Profit and loss reserve</b>	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Balance brought forward	287	259
Retained (loss)/profit for the period	(107)	28
Closing balance	180	287

<b>9. Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/Profit for the year	(107)	28
Shareholders' funds as at 1 April	287	259
Shareholders' funds as at 31 March	180	287

**11. Capital Commitments**

There are no capital commitments or material contingent liabilities at 31 March 2006 (2005: nil).

**12. Related Party Transactions**

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemptions available under Financial Reporting Standard 8 'Related Party Disclosures', and the consolidated accounts of SABMiller plc are available at the address noted below.

**13. Ultimate Parent Undertaking**

The immediate parent undertaking is Pilsner Urquell International B.V., a company incorporated in the Netherlands. The ultimate parent undertaking and controlling party is SABMiller plc, a company incorporated in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of SABMiller plc consolidated financial statements can be obtained from the Assistant Company Secretary at SABMiller House, Church Street West, Woking, Surrey, GU21 6HS.