

CHEFCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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CHEFCO LIMITED

COMPANY INFORMATION

Directors	H Fetter S Macnab
Company number	SC335017
Registered office	111/113 Renfrew Road Paisley PA3 4DY
Auditor	Mazars LLP 90 St. Vincent Street Glasgow G2 5UB

CHEFCO LIMITED

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CHEFCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their annual report and financial statements for the year ended 30 June 2016.

Principal activities and review of the business

The principal activity of the company continued to be that of a financing company.

The Company's results have been prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), for the first time for the year ended 30 June 2016. On transition to FRS 102, there has been no impact on the Company's equity or comprehensive income. Further details can be found in note 13.

On 1 July 2015, the company issued 1 ordinary share of €1.00 for a consideration of €469.8m.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H Fetter
S Macnab

Results and dividends

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

The Company paid no dividends in the year (2015 : nil).

Auditor

In order to ensure good corporate governance, the Audit Committee of the Company's ultimate holding company, Pernod Ricard S.A. (PRSA), recommended that the provision of external audit services currently performed by Mazars, one of PRSA's two principal statutory auditors, be put out to tender in 2016. Following a transparent and competitive tender, KPMG S.A. was appointed to replace Mazars as a principal statutory auditor of the Group at PRSA's 2016 Annual General Meeting. For consistency, the Company will appoint KPMG Audit Plc. as auditor to replace Mazars LLP in accordance with section 485 of the Companies Act 2006, commencing with the 2017 financial year.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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;
- 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.

CHEFCO LIMITED

DIRECTORS' REPORT (CONTINUED)

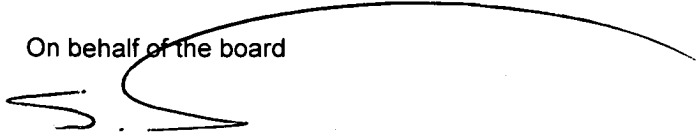
FOR THE YEAR ENDED 30 JUNE 2016

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the board

A handwritten signature in black ink, appearing to be 'S Macnab', is written over a large, thin, curved line that arches over the text 'On behalf of the board'.

S Macnab

Director

14 December 2016

CHEFCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEFCO LIMITED

We have audited the financial statements of Chefco Limited for the year ended 30 June 2016 comprising the Statement of Total Comprehensive Income, Balance Sheet, the Statement of Changes in Equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 30 June 2016 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 matters 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.

CHEFCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHEFCO LIMITED

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Other matter

Without qualifying our opinion we draw attention to the accounting policies on page 8 of the financial statements and the fact that the comparative information in the accounts was unaudited as the Company was dormant and entitled to exemption from audit.



Jacqueline Berry (Senior Statutory Auditor)
for and on behalf of Mazars LLP

14 December 2016

**Chartered Accountants and
Statutory Auditor**

90 St. Vincent Street
Glasgow
G2 5UB

CHEFCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Notes	€'000	unaudited €'000
Operating result		-	-
Interest receivable and similar income	5	7,913	-
Profit before taxation		7,913	-
Taxation	6	-	-
Profit for the financial year		7,913	-
Other comprehensive income		-	-
Total comprehensive income for the year		7,913	-

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 8 to 12 are an integral part of these financial statements.

CHEFCO LIMITED

BALANCE SHEET

AS AT 30 JUNE 2016

		2016		2015	
	Notes	€'000	€'000	unaudited €'000	€'000
Current assets					
Debtors falling due after one year	7	477,701		-	
Net current assets			477,701		-
Capital and reserves					
Called up share capital	8		595		595
Share premium account	9		469,788		-
Profit and loss reserves			7,318		(595)
Total equity			477,701		-

The notes on pages 8 to 12 are an integral part of these financial statements

The financial statements were approved by the Board of directors and authorised for issue on 14 December 2016 and are signed on its behalf by:



S Macnab
Director

Company Registration No. SC335017

CHEFCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Share capital €'000	Share premium account €'000	Profit and loss reserves €'000	Total unaudited €'000
Balance at 1 July 2014 (unaudited)	595	-	(595)	-
Year ended 30 June 2015:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 30 June 2015 (unaudited)	595	-	(595)	-
Year ended 30 June 2016:				
Profit and total comprehensive income for the year	-	-	7,913	7,913
Issue of share capital	8	469,788	-	469,788
Balance at 30 June 2016	<u>595</u>	<u>469,788</u>	<u>7,318</u>	<u>477,701</u>

CHEFCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

Company information

Chefco Limited is a limited company domiciled and incorporated in Scotland. The registered office and principal place of business is 111/113 Renfrew Road, Paisley, PA3 4DY.

The Company is a wholly owned subsidiary of Pernod Ricard S.A. and its results are included in the consolidated financial statements of Pernod Ricard S.A.

1.1 Accounting convention

These financial statements for the year ended 30 June 2016 are the first financial statements of the Company prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The date of transition to FRS 102 was 1 July 2014. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 13. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102. The last financial statements prepared under previous UK GAAP were as at 30 June 2015.

The comparative figures, for the year ended 30 June 2015, are unaudited as the company was dormant and entitled to exemption from audit.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €'000.

The financial statements have been prepared under the historical cost convention and on a going concern basis. The principal accounting policies adopted are set out below.

1.2 Reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the Section 1 of FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.41 to 11.48A, financial instruments disclosures;
- the requirements of Section 12 Other Financial Instrument Issues paragraphs 12.27 to 12.29, hedge accounting disclosures;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7, key management personnel compensation.

This information is included in the consolidated financial statements of Pernod Ricard S.A. as at 30 June 2016.

1.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported in the profit and loss account during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

Assessing for indicators of impairment

The Company assesses for any indication that its assets may be impaired by considering whether any significant changes have taken place, or are expected to take place, which could have an adverse effect on the entity.

CHEFCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

Assessing functional currency

The directors are required to identify the functional currency of the Company. In making this decision the directors have used judgement to determine which currency represents the economic effects of the underlying transactions, events and conditions.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Financial assets and liabilities

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2 Auditor's remuneration

The current and prior year audit fee has been borne by another group company.

3 Employees

There were no employees during the year (except for directors) (2015: nil).

4 Directors' remuneration

The directors received no remuneration during the year to 30 June 2016 in respect of their services to the Company (2015: nil).

CHEFCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

5 Interest receivable and similar income

	2016	2015 unaudited
	€'000	€'000
Interest income		
Interest receivable from group companies	7,913	-
	<u> </u>	<u> </u>

6 Taxation

	2016	2015 unaudited
	€'000	€'000
Total current tax	-	-
	<u> </u>	<u> </u>

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2016	2015 unaudited
	€'000	€'000
Profit before taxation	7,913	-
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)	1,583	-
Surrender of tax losses from group companies	(1,583)	-
	<u> </u>	<u> </u>
Tax expense for the year	-	-
	<u> </u>	<u> </u>

The tax charge for the year to 30 June 2016 has been reduced by €1,583,000 (2015:€Nil) as a result of group relief claimed from other group undertakings in return for nil consideration.

Factors that may affect future tax charges

The Company's tax charge in future periods will be affected by the availability of group relief for any losses that are incurred by other group undertakings.

Summer Finance Bill 2015 was substantively enacted on 26 October 2015, which had the effect of reducing the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. As these rate changes were enacted before the balance sheet date, the deferred tax assets and liabilities have been calculated at 19% or 18% in line with when the company anticipates the temporary differences to unwind.

Budget 2016 set out a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020, and included measures relating to the OECD Base Erosion and Profit Shifting Actions. These measures include limiting the utilisation of brought forward losses and interest deductions, to be effective from 1 April 2017. These changes are not expected to have a material cash impact on the Company.

CHEFCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

7 Debtors

	2016	2015
	€'000	unaudited €'000
Amounts falling due after one year:		
Amounts due from fellow group undertakings	477,701	-

8 Share capital

	2016	2015
	€'000	unaudited €'000
Ordinary share capital		
Allotted, called up and fully paid		
595,392 Ordinary shares of €1 (2015:595,391 Ordinary shares of €1)	595	595

9 Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

On 1 July 2015, the Company issued 1 ordinary share of €1.00 at an aggregate premium of €469,788,000.

10 Financial commitments, guarantees and contingent liabilities

The Company is party to a cross guarantee arrangement under the Pernod Ricard U.K. group's banking facilities agreement with Barclays Bank plc. Under this agreement all participating companies are jointly and severally liable for any overdraft and borrowings by other participants. At the year end, there was a positive cash position across the group (2015: positive cash position across the group).

11 Related party transactions

The Company has taken advantage of the exemption under the terms of paragraph 33.1A of FRS 102 from disclosing transactions with entities that are wholly owned by the Pernod Ricard S.A. group.

12 Controlling party

The ultimate parent undertaking and controlling party is Pernod Ricard S.A., a company incorporated in France. Copies of its annual report may be obtained from 12 Place Des Etats-Unis, 75783 Paris, Cedex 16, France. This is the largest and smallest group into whose consolidated accounts the Company's financial information is consolidated.

13 Explanation of transition to FRS 102

First year adoption of Financial Reporting Standard 102 (FRS 102).

This is the first full year that the Company has presented its financial statements under FRS 102. The last financial statements under prior UK GAAP were for the period ended 30 June 2015; the date of transition to FRS 102 was therefore 1 July 2014.

CHEFCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 30 JUNE 2016***

13 Explanation of transition to FRS 102

(Continued)

The Company has taken advantage of exemptions permitted on transition to FRS 102 as summarised in note 1.2. There has been no impact on equity or comprehensive income at the date of transition and accordingly a transition table has not been prepared.