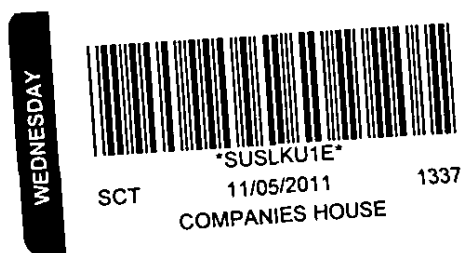


**HP Bulmer Holdings Plc**  
**Directors' Report and Accounts**  
**31 December 2010**



**Directors' Report and Accounts**

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**Report of the Directors**

The directors present their annual report and the audited accounts for the year ended 31 December 2010

**Principal activity**

The company is an investment holding company

**Financial review**

The loss after tax for the year of £45,648,000 (year ended 31 December 2009 – profit of £612,000) was due principally to writing off £45,387,000 of intercompany balances with dormant subsidiaries who will be unable to repay those balances. The company balance sheet consists only of its investments in mostly dormant subsidiaries, intercompany and group relief balances. Following the write off of these intercompany balances, the company is in a net liability position, however the HP Bulmer Holdings Group as a whole is in a net asset position therefore the Company's accounts have been prepared on a going concern basis. Given the simple nature of the business, no KPIs are used in the management of the company other than the figures in the profit and loss account itself. The directors do not recommend the payment of an ordinary dividend.

**Directors**

The directors who held office during the year were as follows

W J J Crawshay (resigned 26 January 2011)

A L Oliver

C Tedford

W J Payne

**Financial Risk Management Policy**

The main risks associated with the company's financial assets and liabilities are set out below

**Net liability position**

The company's balance sheet is now in a net liability position following the write off of large intercompany balances. The company is still considered a going concern as it owns other subsidiaries with positive reserves and which own trademarks. The company's liabilities are with other Group companies and these will not be called upon until the company is in a position to repay these.

**Liquidity risk**

The company does not have its own bank account, however should any expenses be incurred, the Company benefits from the availability of intra-group funding.

**Future Developments**

The company expects to continue to operate as an investment holding company.

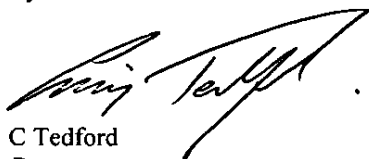
**Statement of disclosure of information to Auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



C Tedford  
Director  
9 May 2011

Ashby House  
1 Bridge Street  
Staines  
TW18 4TP

## **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 which 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 judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that 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

## KPMG LLP

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

### **Independent auditor's report to the members of HP Bulmers Holdings plc**

We have audited the financial statements (the "financial statements") of HP Bulmers Holdings plc for the year ended 31 December 2010 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditor's 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.

#### **Respective responsibilities of directors and auditor**

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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### **Opinion on 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 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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.

#### **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

**Mike Maloney, Senior Statutory Auditor**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

10 May 2011

**Profit and Loss Account  
for the year ended 31 December 2010**

	<i>Note</i>	<b>Year ended 31 December 2010 £'000</b>	<b>Year ended 31 December 2009 £'000</b>
Write off of amounts owed by group undertakings	2	(45,387)	(1,197)
Impairment of investments	2	(23)	-
Net interest (payable)/receivable	5	(282)	2,831
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(45,692)</b>	<b>1,634</b>
Taxation credit/(charge) on (loss)/profit on ordinary activities	6	44	(1,022)
<b>(Loss)/profit attributable to ordinary shareholders retained</b>		<b>(45,648)</b>	<b>612</b>


**Statement of Total Recognised Gains and Losses  
for the year ended 31 December 2010**

There are no recognised gains and losses for the current financial year other than the loss of £45,648,000 (year ended 31 December 2009 – profit of £612,000) shown above

**Balance Sheet**  
**At 31 December 2010**

	<i>Note</i>	<b>31 December 2010</b>		<b>31 December 2009</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>					
Investments	7		4,029		4,052
<b>Current assets</b>					
Debtors	8	71,350		184,773	
<b>Creditors</b> amounts falling due within one year	9	(81,056)		(148,854)	
<b>Net current assets/(liabilities)</b>			(9,706)		35,919
<b>Total assets less current liabilities</b>			(5,677)		39,971
<b>Creditors</b> amounts falling due after one year	10		(22,112)		(22,112)
<b>NET ASSETS/(LIABILITIES)</b>			(27,789)		17,859
<b>Capital and reserves</b>					
Called up share capital	11		2,656		2,656
Share premium reserve	12		2,740		2,740
Profit and loss account	12		(33,185)		12,463
<b>SHAREHOLDERS' (DEFICIT)/FUNDS</b>			(27,789)		17,859

These accounts were approved by the Board of Directors on 9 May 2011 and were signed on its behalf by



C Tedford  
Director

Notes to the accounts

1 Accounting policies

**Basis of preparation**

The accounts are prepared in accordance with applicable United Kingdom Accounting Standards and on a going concern basis

The company has taken advantage of exemptions under FRS1 and has not prepared a cash flow statement

The company has taken advantage of exemptions under FRS8 and has not disclosed certain related party transactions

The company is exempt from the requirement to produce group accounts by the Companies Act 2006 section 400. The financial statements present information about the company as an individual undertaking and not about its group

**Fixed asset investments**

Shares in subsidiaries are stated at cost less provisions for any impairment in value

**Preference Share Capital**

The book value of preference share capital is treated as a financial instrument and is included in creditors. In the profit and loss account cumulative fixed rate preference dividends are included within net interest

2 Net operating costs

The audit fee of £3,000 (2009 £1,000) has been borne by the company's parent undertaking

During the year the company wrote off £45,387,000 (2009 - £1,197,000) amounts due from its dormant subsidiaries who were unable to repay the monies due. In 2010, the largest of these were Bulmer Vermont (£39,568,000) and The Strongbow Drinks Company (£5,677,000)

Also during the year the company wrote off its investment in Bulmer Holdings ESOP Trust (£23,000) as the Trust is due to be terminated

3 Remuneration of directors

No directors received remuneration from the company during the year (year ended 31 December 2009 - £nil)

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was nil (year ended 31 December 2009 - nil)

5 Net interest

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Interest payable to group undertakings	2,337	(5,273)
Interest receivable from group undertakings	(2,055)	8,104
Net interest (payable)/receivable	282	2,831



Notes to the accounts (continued)

6. Taxation charge on profit on ordinary activities

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
(i) Tax credit/(charge)		
Current year - corporation tax	79	(476)
Prior year - corporation tax	(35)	(546)
	<u>44</u>	<u>(1,022)</u>
(ii) Tax reconciliation		
(Loss)/Profit on ordinary activities before taxation	(45,692)	1,634
Notional tax credit/(charge) at UK corporation tax rate of 28%	12,794	(458)
Disallowable operating expenses	(12,715)	(18)
Adjustment for previous years	(35)	(546)
Current tax credit/(charge)	<u>44</u>	<u>(1,022)</u>

7 Investments

	Shares in subsidiary undertakings £'000
As at 1 January 2010	4,052
Impairments during the year (see note 2)	(23)
As at 31 December 2010	<u>4,029</u>

At 31 December 2010 the following company was the principal subsidiary

	Country of incorporation /operation	% owned	Principal activities
HP Bulmer Limited	England	100	Holding company

8 Debtors

	31 December 2010 £'000	31 December 2009 £'000
Amounts due from other Group undertakings	<u>71,350</u>	<u>184,773</u>

Notes to the accounts (continued)

9. Creditors: amounts falling due within one year

	31 December 2010 £'000	31 December 2009 £'000
Amounts owed to other Group undertakings	79,099	146,853
Corporation tax – Group relief payable	1,957	2,001
	<u>81,056</u>	<u>148,854</u>

10. Creditors: amounts falling due after more than one year

	31 December 2010 £'000	31 December 2009 £'000
Preference Shares	22,112	22,112

In accordance with FRS 25 the book value of the preference shares that relates to the cumulative fixed rate dividends of 9.5% and 8.75% respectively are shown under creditors. The parent company has waived their right to receive preference dividends in the current and prior years.

11. Called up share capital

	Number of Shares		Amount	
	31 December 2010	31 December 2009	31 December 2010 £'000	31 December 2009 £'000
<i>Authorised</i>				
Ordinary shares of 5p each	72,500,000	72,500,000	3,625	3,625
9.5% first cumulative preference shares of £1 each (classified as a liability under FRS 25)	1,375,000	1,375,000	1,375	1,375
8.75% second cumulative preference shares of £1 each (classified as a liability under FRS 25)	20,746,000	20,746,000	20,746	20,746
	<u>94,621,000</u>	<u>94,621,000</u>	<u>25,746</u>	<u>25,746</u>

## Notes to the accounts (continued)

## 11 Called up share capital (continued)

<i>Allotted, called up &amp; fully paid</i>	Number of shares		Amount	
	31 December 2010	31 December 2009	31 December 2010 £'000	31 December 2009 £'000
Ordinary shares of 5p each	53,128,772	53,128,772	2,656	2,656
9 5% first cumulative preference shares of £1 each	1,365,781	1,365,781	1,366	1,366
8 75% second cumulative preference shares of £1 each	20,746,000	20,746,000	20,746	20,746
	75,240,553	75,240,553	24,768	24,768

	31 December 2010 £'000	31 December 2009 £'000
Shares classified as liabilities (note 10)	22,112	22,112
Shares classified as shareholders' funds	2,656	2,656
	24,768	24,768

## 12 Reconciliation of movements in shareholders' funds

	Share Capital £'000	Share Premium £'000	Profit and Loss Account £'000	Total £'000
At 31 December 2009	2,656	2,740	12,463	17,859
Retained loss	-	-	(45,648)	(45,648)
At 31 December 2010	2,656	2,740	(33,185)	(27,789)

## 13 Ultimate parent company

The ultimate parent undertaking at the balance sheet date, which was also the parent for the largest group of undertakings for which group accounts were drawn up and of which the company was a member, was Heineken N V, a company registered in The Netherlands. Group accounts for this company may be obtained from the Company Secretary, Heineken N V, Tweede Weteringplantsoen 21, 1017 ZD, Amsterdam, The Netherlands.