Registered Number 2808255

SOUTHCORP WINES EUROPE LIMITED

Directors' Report and Financial Statements

For the year ended 30 June 2009

Southcorp Wines Europe Limited

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Southcorp Wines Europe Limited

Company Information

Registered Number	2808255
Country of Incorporation	England
Registered Office	Regal House 70 London Road Twickenham Middlesex TW1 3QS
Directors	Mr D Jackman Mr P Jackson Mr S Pickles
Company Secretary	Mr S Pickles

Southcorp Wines Europe Limited

Directors' Report

The directors present their report and audited financial statements of the company for the year ended 30 June 2009

Business Review and Principal Activities

Due to the disposal of its trade and operations in 2006 financial year, the company is now dormant The directors will review the future of the business in 2009 financial year

The company's profit for the financial year amounted to £nil (2008 profit £nil) No dividend was paid during the year (2008 £nil)

Given that the company is dormant, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the performance or position of the business

Directors

The directors who served during the period to the date of this report were

Mr S Pickles	Appointed 1 August 2005
Mr P Jackson	Appointed 17 May 2006
Mr D Jackman	Appointed 4 May 2007

The company maintains insurance as referred to in section 236 of the Companies Act 2006, in respect of its directors and officers against liability in relation to the company

Directors' indemnity

As permitted by the articles of association, the directors have the benefit of an indemnity (provided on a group wide basis via Fosters Group Limited) which is a qualifying third party indemnity provision as defined by section 234 of the companies' act 2006 The indemnity was in force throughout the last financial year and is currently in force

Fosters Group Limited also purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 and 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 IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the group and parent company financial statements respectively,

Southcorp Wines Europe Limited

Directors' report (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Advantage has been taken of the audit exemption available for small companies conferred by section 475 of the Companies Act

The directors acknowledge

a) the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
b) their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

On behalf of the board

Director

DAMIEN JACKMAN 17/03/2010

Southcorp Wines Europe Limited

Income Statement
for the year ended 30 June 2009

	Note	2009 £'000	2008 £'000
Revenue	2	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Distribution and selling expenses		-	-
Operating profit before exceptional items		-	-
		-	-
Operating loss after exceptional items		-	-
Finance income		-	-
Loss before taxation		-	-
Taxation		-	-
Loss for the year		-	-

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

Statement of Changes in Equity
for the year ended 30 June 2009

	Note	2009 £'000	2008 £'000
Called up share capital	6	**23**	23
Opening retained profit as at 1 July		**4,186**	4,186
Result/(loss) for the year		-	-
Closing retained profits as at 30 June		**4,186**	4,186
Share Premium Reserve		**19,987**	19,987
Total Equity as at 30 June		**24,196**	24,196

Southcorp Wines Europe Limited

Balance Sheet
at 30 June 2009

	Note	2009 £'000	2008 £'000
Current Assets			
Trade and other receivables	5	**24,196**	24,196
Net Assets		**24,196**	24,196
Equity			
Capital and reserves attributable to equity holder of the company			
Share capital	6	**23**	23
Share premium reserve		**19,987**	19,987
Retained earnings		**4,186**	4,186
Total Equity		**24,196**	24,196

For the year ending 30 June 2009 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Director's responsibilities,

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 7 to 13 were approved by the board of directors on 2010 and signed on its behalf by

Director

DAMIEN JACKMAN

Southcorp Wines Europe Limited

Cash Flow Statement
for the year ended 30 June 2009

	Note	**2009 £'000**	2008 £'000
Cash flows from operating activities			
Cash used in from operations		-	-
Interest received		-	-
Income tax received		-	-
Net cash used in operations		-	-
Cash flows from investing activities			
Property plant and equipment acquisitions		-	-
Proceeds from sale of property plant and equipment		-	-
Net cash generated from investing activities		-	-
Net outflow in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Effect of foreign exchange rates		-	-
Cash and cash equivalents at end of year		-	-

Southcorp Wines Europe Limited

Notes to the financial statements for the year ended 30 June 2009

1 Summary of significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS

The financial statements have been prepared under the historical cost convention

Non trading company

The company has not traded and has not made a profit or loss for the period

Financial assets

The company classifies its financial assets in the following categories at fair value through the profit and loss, loans and receivables, and available for sale The classification depends on the purpose for which the financial assets were acquired Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date The company has no financial assets classified as at fair value through the profit and loss or as available for sale

- At fair value through the profit and loss

The fair values of quoted investments are based on current bid prices If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs Market values where available, have been used to determine the fair value of the company's liabilities Where market values are not available, fair values have been calculated by discounting cash flows at prevailing interest rates

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets Loans and receivables are included in trade and other receivables in the balance sheet

- Available for sale

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts

All receivables are regularly reviewed and a provision for impairment of trade receivables is established when there is objective evidence that all amounts may not

1 Summary of significant accounting policies (continued)

be collectible according to the original terms of the sales transaction Bad debts are written off when incurred

Loans and borrowings

All loans and borrowings except for certain inter-entity loans and borrowings are non interest bearing and are initially recognised at fair value and subsequently recorded at amortised cost, representing the present value of the loan, calculated using the effective interest rate of the loan or borrowing over its term Loans are classified as current assets, and borrowings as current liabilities, unless the company has an unconditional right to defer settlement of the loan or borrowing for at least 12 months after the balance sheet date Costs incurred with borrowings are expensed to the income statement as incurred

New standards and interpretations

As part of its Improvement Project the International Accounting Standards Board (the "IASB") issued amendments to existing standards In addition, the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") issued new standards and interpretations All the new standards and amendments requiring compulsory application and which are effective for the company's annual accounting year ending 30 June 2009 have been taken into consideration in preparing the financial statements

2 Revenue

The company has not derived any revenue in the period under review (2008 £nil)

3 Employee benefit expense

The company had no employees during the year (2008 nil)

4 Key management compensation

No director or key management personnel received any emoluments from the company (2008 £Nil) The company had no other employees during the year (2008 none) There are no directors to whom retirement benefits are accruing

5 Trade and other receivables

	2009	2008
	£'000	£'000
Receivables from related parties	**24,196**	24,196
	24,196	24,196

Trade receivables are non interest-bearing and generally have a 30 day term Due to their short maturities, the fair value of trade and other receivables approximates to their book value Other receivables are all recorded at amortised cost

Southcorp Wines Europe Limited

Notes to the financial statements for the year ended 30 June 2009 (continued)

5 Trade and other receivables

The carrying amounts of trade and other receivables are denominated in the following currencies, which in most instances are the functional currency of the respective subsidiaries

The maximum exposure to credit risk at each reporting date is the fair value of each receivable shown above

	2008 **£'000**	2007 £'000
Sterling	**24,196**	24,196
Total	**24,196**	24,196

6 Share capital

	2009 **£'000**	2008 £'000
Authorised		
87,500 ordinary shares of £1 each	**87**	87
12,500 "Class B" ordinary shares of £1 each	**13**	13
	100	100
Allotted and fully paid		
10,000 ordinary shares of £1 each	**10**	10
12,500 "Class B" ordinary shares of £1 each	**13**	13
	23	23

Both classes of shares confer the same rights on their respective shareholders

7 Related-party transactions

Southcorp Wines Europe Limited is a related party of Foster's Group Limited and its subsidiaries as it is wholly owned by Foster's Group Limited

Funding transactions arising in the normal course of business

Company Name	**Related party's relationship**	**Amounts due from/(to) other Foster's Group** **2009** **£'000**	2008 £'000
Foster's EMEA Limited	Group Company	**24,196**	24,196

8 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below

30 June 2009

Assets as per balance sheet

	At fair value through the profit and loss £'000	**Loans and receivables £'000**	**Available for sale £'000**	**Total £'000**
Trade and other receivables	-	**24,196**	-	**24,196**
Total	-	**24,196**	-	**24,196**

30 June 2008

Assets as per balance sheet

	At fair value through the profit and loss £'000	Loans and receivables £'000	Available for sale £'000	Total £'000
Trade and other receivables	-	24,196	-	24,196
Total	-	24,196	-	24,196

9 Financial risk management

Treasury risk management policy

As a wholly owned subsidiary, the company follows Foster's Group Limited's treasury risk management policy

The Group's Treasury Policy manages the following financial risks

- Liquidity risk,
- Interest rate risk,
- Foreign exchange risk, and
- Counterparty credit risk

The Group's policy to Risk management is to take an active approach to identify and manage financial risks and ensure that adequate risk management systems exits within the Group such that risks are identified and appropriately managed Financial

9 Financial risk management (continued)

asset and liability transactions are to be structured to enable the achievement of planned outcomes, reduce volatility and provide increased certainty

The objectives relating to management of financial risks are as follows

- **Liquidity risk**

Liquidity risk is identified across the entire group

The aim of liquidity risk management is to ensure that the Group has an appropriate level of liquidity and access to sufficient cash resources (including reserves, banking facilities and standby borrowing facilities) to maintain normal operations, meet its financial obligations as they fall due, pay dividends, meet capital expenditure commitments and undertake investment/strategic opportunities as they arise To do this, debt maturity profile must be appropriately structured, taking into account the Group's core assets and working capital funding requirements, asset and liability matching and refinancing risks

- **Interest rate risk**

Interest rate risk is the risk of a reduction in earnings and cashflow as a consequence of adverse movements in interest rates This includes exposures that may arise if the Group was to fix interest rates in a falling interest rate environment Interest rate risk is measured by the effect of interest rate movements on the total portfolio of current and forecast debt, interest rate hedging transactions and financial market risks

The majority of the Group's interest rate risk arises from borrowings Other sources of interest rate risk for the Group may include interest bearing investments, creditors accounts offering a discount and debtors accounts on which discounts are offered The Group's objective is to ensure that it is not exposed to interest rate movements to the extent that interest expense adversely impacts the Group's ability to meet operating obligations as they arise To achieve this, the Group uses a mix of fixed and floating interest rates and related interest rate derivative products

The Group's interest rate exposures are hedged in accordance with Board-approved policies to minimise the impact of adverse interest rate movements through the use of authorised hedging instruments Variations to the interest rate risk management strategies must be submitted to the Audit Committee for review and approval

- **Foreign exchange transaction exposures**

The Group's policy is to fund foreign currency assets, where practicable and cost effect, in the respective currencies in which such assets are denominated

Risks are quantified using historical data to determine the potential worst-case expected sensitivity of the Group's operating cash flows to fluctuations in foreign exchange rates on the net exposures A correlation matrix is used to measure the impact of relevant exposures at the Group level The matrix measures, the extent to which risk factors move together and considers the long and short term nature of exposures

Foreign exchange risk management focuses on transaction exposures The Group has two types of transaction exposure Financing exposures are exposures from

9 Financial risk management (continued)

foreign currency financing activities such as asset purchases, asset sales, capital returns, coupon payments, external and inter-company loan repayments Operating exposures arise from normal operations of the Group These exposures are both known and forecast The Group's aim is to ensure prompt identification of foreign currency exposures and to ensure net exposure of foreign currency fluctuations to which the divisions of Foster's Group are exposed are within agreed benchmarks

Currency requirements are offset against each other on a monthly basis with excess currency bought or sold at the spot rate or the relevant rate at the time of netting All cash received in held for a maximum of three months prior to a commitment

Transactions that fall outside the normal payments and receipts will be hedged within the trading cycle associated with the transaction

- **Counterparty Credit risk**

Credit risk represents the potential loss which the Group could incur if counterparts failed to meet their obligations under their respective contracts or arrangement with the Group Credit risk for financial assets which have been recognised in the balance sheet is generally the carrying amount, net of any provisions for doubtful debts

Trade receivables consist of a number of customers If there is no independent rating, management assesses the credit quality of the customer taking into account its financial position, past experience and other factors Individual risk limits are set based on internal ratings Management monitors the utilisation of credit limits regularly

- **Sensitivity analysis**

Sensitivity analysis, required by IFRS 7, is intended to illustrate the sensitivity to changes in market variables The sensitivity analysis is prepared on the basis that the amount of net debt is constant As a consequence, this sensitivity analysis relates to the positions at those dates and is not representative of the periods then ended, as all of these varied

As the company has no foreign currency exposures and no interest bearing assets and liabilities as at the balance sheet date, there is no effect on the income statement that would result from changes in interest rates and in any exchange rate, before the effects of tax

- **Capital management**

The company manages its capital by following the Foster's Group's capital management initiatives, which aim to maintain a sound balance sheet position The capital management initiative is consistent with the company's commitment to disciplined capital management and allows the company and Foster's Group to maintain appropriate gearing levels and an appropriate entity level capital structure

Notes to the financial statements for the year ended 30 June 2009 (continued)

10 Ultimate parent undertaking

The company's ultimate parent company and controlling party, which is the parent undertaking of the largest group to consolidate the accounts of the company, is Foster's Group Limited, a company incorporated in Australia

Copies of the accounts may be obtained from The Secretary, Regal House, 70 London Road, Twickenham, Middlesex TW1 3QS