

**Scottish & Newcastle Limited**  
**Directors' Report and Accounts**  
**For the year ended 31 December 2014**

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## Strategic Report

The directors present their strategic report together with the audited accounts for the year ended 31 December 2014.

### Principal activity

The principal activity of the company during the year was that of a holding company.

### Financial review

The loss on ordinary activities before interest and dividends in the current year was £178.5m (2013: £24.2m). In recent years a number of subsidiaries and a joint venture company have been dissolved as part of an ongoing restructuring project to simplify the group structure. This restructuring project has continued in 2014, creating an exceptional loss on dissolution of subsidiaries of £163.5m (2013: £16.5m).

The profit after taxation for the year amounted to £63.4m (2013: £63.5m). Net interest receivable amounted to £61.2m (2013: £57.3m).

While a number of the company's dormant subsidiaries were dissolved in the year, there was no change to the primary activity of holding the investment in Heineken UK Limited, the group's main trading company. The other main balance sheet items are intragroup debtors and creditors and external loans.

Management do not use any KPIs to monitor performance other than the figures included in the profit and loss and balance sheet, as the company is a holding company which does not generate a significant operating profit.

### Future developments

The company expects to continue as the holding company of Heineken UK Ltd.

### Financial risk management policy

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

#### *Interest rate risk*

The company benefits from the management of interest rate risk being undertaken at parent company level and therefore interest rate risk is viewed at a group level.

#### *Price risk*

There is no significant exposure to changes in the carrying value of financial liabilities and assets because all of these bear interest at floating rates.

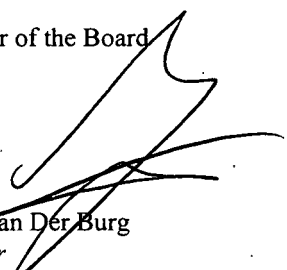
#### *Liquidity risk*

The company benefits from the management of liquidity risk being undertaken at parent company level. It therefore primarily obtains any new funding required from other group companies. Its bank accounts form part of the group offset arrangements.

#### *Foreign currency risk*

The company benefits from the management of foreign currency risk being undertaken at parent company level. The company hedges its overseas investments by way of currency denominated liabilities.

By order of the Board

  
J P A Van Der Burg  
Director  
28 September 2015

3-4 Broadway Park  
South Gyle  
Edinburgh  
EH12 9JZ

## Directors' Report

### Directors

The directors who held office during the year and to the date of approval of the accounts were as follows:

J P A Van Der Burg

G Colquhoun

D M Forde

K Taylor-Welsh

L J Nicoll

R C Hunter (appointed 7 January 2014)

A L Oliver (resigned 1 December 2014)

### Secretaries

The secretaries who held office during the year and up to the date of approval of the account were as follows:

G Colquhoun

### Going concern

The financial position of the company is set out in the balance sheet on page 7 of the financial statements. The company has net current liabilities of £606.4m at 31 December 2014 (2013: £256.1m).

The Company's ultimate parent undertaking, Heineken N.V., has confirmed to the directors its intention to provide sufficient financial assistance to enable the Company to continue operations and fulfil its financial obligations for the foreseeable future and at least for a period of 12 months from the date of approval of the financial statements of the Company. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

### Dividends

The directors do not recommend the payment of a dividend.

### Employee relations and involvement

The company is firmly committed to the principles of employee involvement. A full range of briefing, consultation and bargaining arrangements have been developed in all parts of the company and these are subject to continuous review and improvement.

### Disabled persons

Full and fair consideration has been given to applications for employment made by disabled persons and appropriate training, career development and promotion have been provided in all cases. Employees who become disabled and unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment.

### Political and charitable contributions

The company made no political contributions or charitable donations during the year (2013 - £nil).

### Statement of disclosure of information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

### Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will not be deemed to be reappointed and KPMG LLP will not therefore continue in office. From 2015 Deloitte LLP will be the auditor of the Company.

By order of the Board

J P A Van Der Burg

Director

28 September 2015

3-4 Broadway Park  
South Gyle  
Edinburgh  
EH12 9JZ

## **Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and 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; 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Scottish & Newcastle Limited**

We have audited the financial statements of Scottish & Newcastle Limited for the year ended 31 December 2014 set out on pages 6 to 17. 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 auditors**

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 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 Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **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 2014 and of its profit 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 Strategic Report and 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.

**Alex Sanderson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Saltire Court  
20 Castle Street  
Edinburgh  
EH1 2EG

29 September 2015

**Profit and Loss Account**  
**For the year ended 31 December 2014**

	<i>Note</i>	<b>Year ended 31 December 2014 £m</b>	<b>Year ended 31 December 2013 £m</b>
Net operating costs	2	(178.5)	(24.2)
<b>Loss on ordinary activities before interest</b>		<b>(178.5)</b>	<b>(24.2)</b>
Income from fixed asset investments - group		187.2	25.9
Interest receivable and similar income	5	91.2	99.9
Interest payable and similar charges	6	(30.0)	(42.6)
<b>Profit on ordinary activities before taxation</b>		<b>69.9</b>	<b>59.0</b>
Tax (charge) / credit on profit on ordinary activities	7	(6.5)	4.5
<b>Profit on ordinary activities after taxation</b>	17	<b>63.4</b>	<b>63.5</b>

All amounts relate to continuing activities.

**Statement of Total Recognised Gains and Losses**  
**For the year ended 31 December 2014**

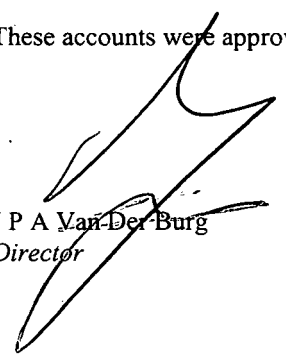
There are no recognised gains and losses for the current or preceding financial year other than the profit of £63.4m (2013: £63.5m) shown above.

The notes on pages 8 to 17 form part of these financial statements.

**Balance Sheet**  
**At 31 December 2014**

	<i>Note</i>	<b>31 December 2014</b>		<b>31 December 2013</b>	
		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Fixed assets</b>					
Intangible assets	8		0.3		-
Tangible assets	9		0.3		0.3
Other investments	10		3,798.7		3,956.0
			<u>3,799.3</u>		<u>3,956.3</u>
<b>Current assets</b>					
Debtors	11	3,093.1		3,435.5	
Cash		149.0		0.8	
		<u>3,242.1</u>		<u>3,436.3</u>	
<b>Creditors: amounts falling due within one year</b>	13	(3,848.5)		(3,692.4)	
<b>Net current liabilities</b>			<u>(606.4)</u>		<u>(256.1)</u>
<b>Total assets less current liabilities</b>			<u>3,192.9</u>		<u>3,700.2</u>
<b>Creditors: amounts falling due after more than one year</b>	14		(0.4)		(570.5)
<b>Provisions for liabilities and charges</b>	15		(3.9)		(4.5)
<b>Net assets</b>			<u><u>3,188.6</u></u>		<u><u>3,125.2</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		192.9		192.9
Share premium	17		1,391.6		1,391.6
Capital redemption reserve	17		72.4		72.4
Merger reserve	17		286.0		286.0
Other reserves	17		118.4		118.4
Profit and loss account	17		1,127.3		1,063.9
<b>Equity shareholder's funds</b>			<u><u>3,188.6</u></u>		<u><u>3,125.2</u></u>

These accounts were approved by the Board of Directors on 28 September 2015 and were signed on its behalf by:

  
 J P A Van Der Burg  
 Director

The notes on pages 8 to 17 form part of these financial statements.



## Notes to the accounts

### 1. Accounting policies

#### *Basis of preparation*

The financial statements have been prepared on a historical cost basis.

The accounting policies outlined have been applied consistently through the periods under review.

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and on the 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 prepare consolidated accounts under section 400 of the Companies Act 2006 (see note 19 for details). The financial statements presented are therefore for the company only.

#### *Going concern*

The financial position of the company is set out in the balance sheet on page 7 of the financial statements. The company has net current liabilities of £606.4m at 31 December 2014 (2013: £256.1m).

The Company's ultimate parent undertaking, Heineken N.V., has confirmed to the directors its intention to provide sufficient financial assistance to enable the Company to continue operations and fulfil its financial obligations for the foreseeable future and at least for a period of 12 months from the date of approval of the financial statements of the Company. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### *Tangible fixed assets – land and buildings*

The company records land and buildings initially at cost. Depreciation is provided on buildings, in order to write off the cost over their expected useful lives, and is calculated at the rate of 2% straight line. Freehold land is not depreciated. However, the carrying value is reviewed each year to ensure that there is no impairment.

#### *Brand licences*

Acquired licences, which are separately identifiable, are recorded at fair value on acquisition where this can be measured reliably. Brand licences are amortised over their expected useful life of 25 years.

#### *Pensions and other post retirement benefits*

Certain employees of Scottish & Newcastle Limited are members of the Scottish & Newcastle Limited group pension schemes, which cover several companies in the group. It is not possible to identify the share of assets and liabilities relating to individual companies on a consistent and reasonable basis. Consequently in Scottish & Newcastle Limited the pension schemes are accounted for as defined contribution schemes. Amounts charged to the Profit and Loss Account represent the contribution payable to the scheme in the period.

#### *Interest*

Interest is recognised as it accrues, using the effective interest method.

#### *Foreign currencies*

Gains and losses arising from foreign currency transactions are included in the Profit and Loss Account.

#### *Leases*

Operating lease payments and receipts are taken to the Profit and Loss Account on a straight line basis over the life of the lease.

**Notes to the accounts (continued)****1. Accounting policies (continued)*****Derivative financial instruments and hedging***

The company uses cross currency interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations.

The company has applied FRS 26 "Financial Instruments Measurement" and as such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the derivative instruments is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is applied, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a probable forecast transaction.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the profit and loss account. The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship as follows:

***Fair value hedges***

For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is re-measured at fair value and gains and losses from both are taken to the Profit and Loss Account. For hedged items carried at amortised cost, the adjustment is amortised through the Profit and Loss Account such that it is fully amortised by maturity. When an unrecognised firm commitment is designated as a hedged item, this gives rise to an asset or liability in the Balance Sheet, representing the cumulative change in the fair value of the firm commitment attributable to the hedged risk.

The company discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the company revokes the designation.

***Cash flow hedges***

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Profit and Loss Account. Amounts taken to equity are transferred to the Profit and Loss Account when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If a forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the Profit and Loss Account. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the Profit and Loss Account or to the initial carrying amount of a non-financial asset or liability as above. If the related transaction is not expected to occur, the amount is taken to the Profit and Loss Account.

**Notes to the accounts (continued)****1. Accounting policies (continued)*****Deferred taxation***

Deferred taxation is provided, without discounting, on all timing differences which have originated but not reversed at the balance sheet date except for those which should not be recognised under FRS19, calculated at the enacted rates at which it is estimated that tax will be payable. Deferred taxation assets are only recognised to the extent that it is more likely than not that they will be recovered.

***Provisions for liabilities and charges***

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

***Investments***

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

**2. Net operating costs**

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Staff costs (note 4)	4.7	8.1
Depreciation	-	0.1
Other operating expense	10.3	0.8
Exceptional operating income on release of provisions	-	(1.3)
Exceptional loss on dissolution of subsidiaries	163.5	16.5
	<u>178.5</u>	<u>24.2</u>

Fees in respect of audit services were £0.1m (2013: £0.1m) and were paid on behalf of the company by its subsidiary company Heineken UK Limited.

Fees in respect of services provided by the auditors for non-audit services were £nil (2013 - £nil).

**3. Remuneration of directors**

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Salaries and other benefits	<u>302</u>	<u>544</u>
Highest paid director:		
Emoluments	123	158
Pension contributions	<u>9</u>	<u>15</u>

Directors' salaries were paid by the Company's subsidiary, Heineken UK Limited.

Retirement benefits are accruing to 4 (2013: 5) directors under a defined benefit scheme. The aggregate pension contributions to defined benefit schemes amounted to £23,855 (2013: £43,502).

Notes to the accounts (continued)

4. Staff numbers and costs

The monthly average number of persons employed by the company (including directors) during the year was 87 (2013: 130).

The total staff cost was £4.7m (2013: £8.1m) which can be analysed as follows:

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Wages and salaries	3.9	6.7
Social security	0.4	0.7
Pension costs	0.4	0.7
	<u>4.7</u>	<u>8.1</u>

*Scottish & Newcastle Ltd group pension schemes*

The Scottish & Newcastle Limited group funds a number of pension schemes which are administered through independent trusts. The main group schemes are defined benefit schemes and a full actuarial valuation of the main schemes was carried out at 31 October 2012. The actuarial valuation has been updated to 31 December 2013 and 31 December 2014 by qualified independent actuaries.

The principal assumptions used in valuing the schemes were as follows:

	31 December 2014	31 December 2013
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions (LPI max 5%)	2.90%	3.20%
Rate of increase in pensions (LPI max 3%)	1.90%	2.15%
Discount rate	3.60%	4.60%
Inflation rate – RPI	2.95%	3.30%
Inflation rate – CPI	2.00%	2.30%

The weighted average asset allocation was as follows:

	31 December 2014 %	31 December 2014 £m	31 December 2013 %	31 December 2013 £m
Equities	49	1,366.6	49	1,249.7
Bonds	46	1,282.9	46	1,173.2
Real estate	5	139.5	5	127.5
Total market value of assets		<u>2,789.0</u>		<u>2,550.4</u>
Present value of scheme liabilities		<u>(3,189.9)</u>		<u>(2,847.6)</u>
Deficit in the scheme		<u>(400.9)</u>		<u>(297.2)</u>

To develop the expected long term rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class.

## Notes to the accounts (continued)

## 5. Interest receivable and similar income

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Interest receivable from subsidiary undertakings	76.8	87.8
Gain on interest rate swaps	18.5	9.7
Forex (loss) / gain on interest rate swaps	(4.1)	2.4
	<u>91.2</u>	<u>99.9</u>

## 6. Interest payable and similar charges

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Interest payable to subsidiary undertakings	18.3	23.6
Other interest payable	11.7	19.0
	<u>30.0</u>	<u>42.6</u>

## 7. Taxation on profit on ordinary activities

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
(i) Tax charge / (credit)		
Group relief		
- current year	6.7	8.1
- adjustment for previous periods	-	(12.7)
	<u>6.7</u>	<u>(4.6)</u>
Deferred tax		
- current year	0.1	3.6
- adjustment for previous periods	(0.3)	(3.5)
	<u>(0.2)</u>	<u>0.1</u>
	<u>6.5</u>	<u>(4.5)</u>
(ii) Tax reconciliation		
Profit on ordinary activities before taxation	<u>69.9</u>	<u>59.0</u>
Notional tax charge at UK corporation tax rate of 21.50% (2013: 23.25%)	15.0	13.7
Expenses not deductible for tax purposes	35.1	1.8
Non taxable income	(43.3)	(6.0)
Fixed assets and other timing differences	(0.1)	(1.4)
Adjustments for previous periods	-	(12.7)
Current tax charge / (credit)	<u>6.7</u>	<u>(4.6)</u>

**Notes to the accounts (continued)****7. Taxation on profit on ordinary activities (continued)***Changes to corporation tax rate*

Reductions in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) and to 21% (effective from 1 April 2014) were substantively enacted on 3 July 2012 and 2 July 2013 respectively. A further reduction to 20% (effective from 1 April 2015) was also substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2014 has been calculated at 20% as this is the rate substantively enacted at the balance sheet date.

It was announced in the Summer Budget in July 2015 that the UK corporation tax rate will further reduce to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020), however these reductions have not yet been substantively enacted.

**8. Intangible fixed assets**

	<b>Brands £m</b>
<i>Cost</i>	
At 1 January 2014	-
Additions	0.3
<b>At 31 December 2014</b>	<b>0.3</b>
<i>Net book value</i>	
At 31 December 2013	-
<b>At 31 December 2014</b>	<b>0.3</b>

Intangible fixed assets were transferred from group undertaking at the end of the financial year.

**9. Tangible fixed assets**

	<b>Land and buildings £m</b>
<i>Cost</i>	
<b>At 1 January 2014 and at 31 December 2014</b>	<b>0.3</b>
<i>Depreciation</i>	
At 1 January 2014 and at 31 December 2014	-
<i>Net book value</i>	
<b>At 31 December 2013 and 2014</b>	<b>0.3</b>

Included within land and buildings is £0.3m (2013: £0.3m) of freehold land which is not being depreciated.

## Notes to the accounts (continued)

## 10. Investments

	Investment in subsidiaries £m
<i>Cost</i>	
At 1 January 2014	3,956.0
Investment transferred from subsidiary company	6.3
Impairment on dissolution of subsidiaries	(163.6)
<b>At 31 December 2014</b>	<b>3,798.7</b>
<i>Net book value</i>	
At 31 December 2013	3,956.0
<b>At 31 December 2014</b>	<b>3,798.7</b>

At 31 December 2014 investments were held in the following company:

Name of the company	Country of incorporation	% of equity holding	Directly held by
Heineken UK Limited	Scotland	100	Scottish & Newcastle Limited
Scottish & Newcastle (Curacao) NV	Netherlands	100	Scottish & Newcastle Limited
Scottish & Newcastle India Limited	England	100	Scottish & Newcastle Limited
HP Bulmer Limited	England	100	Scottish & Newcastle Limited
Cunningham and T&W Thwaites Limited	England	100	Scottish & Newcastle Limited
New Scottish Courage Limited	Scotland	100	Scottish & Newcastle Limited
Heliotrope Limited	Guernsey	100	New Scottish Courage Limited
Broadway Inns Limited	England	100	The Globe Pub Company Limited
Caledonian Brewery Limited	Scotland	100	Heineken UK Limited
UseYourLocal Limited	Scotland	50	Heineken UK Limited
S&NF Limited	Scotland		Heineken UK Limited
S&N Angel Investments Limited	England	100	Heineken UK Limited
Newcastle Federation Breweries Limited	England	100	Heineken UK Limited
S&N Portugal Limited	Scotland	100	Heineken UK Limited
S&N Finland Limited	England	100	Heineken UK Limited
Caledonian Brewing Company Limited	Scotland	100	Heineken UK Limited
Heineken UK (Canada) Inc	Canada	100	Heineken UK Limited
Serviced Dispense Equipment (Holdings) Limited	England	50	Heineken UK Limited
Kuehne + Nagel Drinkflow Logistics Limited	Scotland	50	Heineken UK Limited
T & R Theakston Limited	England	28.3	Heineken UK Limited
United Breweries Limited,	India	3.2	Heineken UK Limited
Universal Beverages (Holdings) Limited	England	34	Scottish & Newcastle India Limited
Universal Beverages Limited	England	100	Heineken UK Limited
Star Pubs & Bars Limited	England	100	Universal Beverages (Holdings) Limited
Star Pubs & Bars (Property) Limited	Scotland	100	Heineken UK Limited
Fountain Pub Company Limited	England	100	Star Pubs & Bars Limited

Notes to the accounts (continued)

10. Investments (continued)

Name of the company	Country of incorporation	% of equity holding	Directly held by
Red Star Pub Company (WR) Limited	Scotland	100	Star Pubs & Bars Limited
Refresh Pub Company (Holdings) Limited	Jersey	100	Star Pubs & Bars Limited
Scottish & Newcastle Property 3 Ltd	England	100	Star Pubs & Bars Limited
Blue Star Pub Company Holdings (No. 2) Limited	Jersey	95	Refresh Pub Company (Holdings) Limited
		5	Star Pubs & Bars Limited
Blue Star Pub Company Limited	Scotland	100	Blue Star Pub Company Holdings (No. 2) Limited
Red Star Pub Company (WRH) Limited	Scotland	100	Star Pubs & Bars Limited
Red Star Pub Company (WR II) Limited	Scotland	100	Red Star Pub Company (WRH) Limited
Red Star Pub Company (WR III) Limited	England	95	Red Star Pub Company (WRH) Limited
		5	Star Pubs & Bars Limited

11. Debtors

	31 December 2014 £m	31 December 2013 £m
Derivatives	13.9	-
Amounts owed by subsidiary undertakings	3,062.3	3,420.3
Deferred tax asset (note 12)	15.2	15.0
Other debtors	1.7	0.2
	<u>3,093.1</u>	<u>3,435.5</u>

The deferred tax asset is recoverable after more than one year. The remaining debtors are due within one year.

12. Deferred tax asset

	£m
At 1 January 2014	15.0
Deferred tax credit in Profit and Loss Account (see note 7)	0.2
<b>At 31 December 2014</b>	<b><u>15.2</u></b>

The deferred tax asset is comprised of:

	31 December 2014 £m	31 December 2013 £m
Accelerated capital allowances	2.9	2.9
Other timing differences	1.8	1.9
Losses	10.5	10.2
Deferred tax asset	<u>15.2</u>	<u>15.0</u>



**Notes to the accounts (continued)****13. Creditors: amounts falling due within one year**

	<b>31 December 2014 £m</b>	<b>31 December 2013 £m</b>
Bank overdrafts	224.3	124.2
Other creditors	-	2.2
Accruals and deferred income	0.6	0.7
Derivatives	-	87.1
Amounts due to subsidiary undertakings	3,604.1	3,468.0
Current tax – group relief payable	19.5	10.2
	<b>3,848.5</b>	<b>3,692.4</b>

The bank overdrafts are unsecured.

The company is a participant in group banking netting arrangements. Bank overdrafts have been netted against surplus cash balances as allowed under the netting agreement.

**14. Creditors: amounts falling due after more than one year**

	<b>31 December 2014 £m</b>	<b>31 December 2013 £m</b>
Loans due in 1-2 years	0.2	376.7
Loans due in 2-5 years	0.2	191.5
Derivatives	-	2.3
	<b>0.4</b>	<b>570.5</b>

**15. Provisions for liabilities and charges**

	<b>Onerous leases £m</b>	<b>Total £m</b>
Balance at 1 January 2014	4.5	4.5
Utilised during the year	(0.6)	(0.6)
<b>Balance at 31 December 2014</b>	<b>3.9</b>	<b>3.9</b>

The majority of the onerous leases provision is expected to be utilised within five years.

**Notes to the accounts (continued)****16. Called up share capital**

	Number of shares		Amount	
	31 December 2014 m	31 December 2013 m	31 December 2014 £m	31 December 2013 £m
<i>Allotted, called up &amp; fully paid</i>				
Ordinary shares of £0.20 each	964.3	964.3	192.9	192.9

**17. Reconciliation of movements in shareholders' funds**

	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Other reserves £m	Profit and loss account £m	Total £m
At 1 January 2014	1,391.6	72.4	286.0	118.4	1,063.9	2,932.3
Profit for the year	-	-	-	-	63.4	63.4
At 31 December 2014	1,391.6	72.4	286.0	118.4	1,127.3	2,995.7

**18. Commitments**

Annual commitments under non-cancellable operating leases are as follows:

	Land & buildings	
	31 December 2014 £m	31 December 2013 £m
<i>Operating leases which expire:</i>		
After five years	1.2	1.4
	1.2	1.4

**19. Ultimate parent company**

The ultimate parent undertaking at the balance sheet date, which was also the parent for the largest and smallest 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.

**20. Events after balance sheet date**

Subsequent to the balance sheet date, the company's group undertakings loans of £510.8m was repaid by the counterparties. In the same time the company repaid its debts of £577.8 to the group undertakings.

In May 2015 the company entered into an agreement to grant a loan from its group undertaking. The granted loan amounting to £99.2m.