

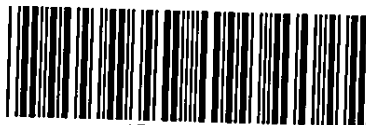
Registered in Scotland, number SC300161

S&N F Limited

Directors' Report and Accounts

For the year ended 31 December 2011

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S&N F LIMITED

Directors' Report and Accounts

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S&N F LIMITED

DIRECTORS' REPORT

Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011.

Principal activities

The principal activity of the company is to derive royalty income from the Foster's brand across Europe.

Financial review

The profit after tax for the year was £13.4m (2010 - £14.0m). The main asset of the company is the Foster's brand rights. The company is in a net asset position. 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 (2010 - £nil).

Directors

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

A J Den Elzen (resigned 31 March 2012)
C Tedford (resigned 18 October 2011)
W J Payne (resigned 30 August 2011)
A L Oliver (appointed 18 October 2011)
S M Paterson (appointed 18 October 2011)
J C Low (appointed 30 August 2011, resigned 31 March 2012)
K Taylor-Welsh (appointed 23 March 2012)
J P A Van Der Burg (appointed 23 March 2012)

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.

Liquidity risk

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

Future Developments

The company expects to continue to derive royalty income from the Foster's brand across Europe.

Political and charitable contributions

The company made no political or charitable contributions during the year (2010 - £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 auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself 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


S M Paterson
Director

31 May 2012

2-4 BROADWAY PARK
SOUTH GYLE BROADWAY
EDINBURGH
EH12 9JZ

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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). 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 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 accounting 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;
- 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.

KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S & N F LIMITED

We have audited the financial statements of S & N F Limited for the year ended 31 December 2011 set out on pages 5 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

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 2011 and of its profit for the year then ended; and
- 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

31 May 2012

S & N F Limited

Profit and Loss Account
For the year ended 31 December 2011

	<i>Note</i>	Year ended 31 December 2011 £m	Year ended 31 December 2010 £m
Turnover	<i>2</i>	15.7	18.1
Operating profit		<hr/> 15.7	<hr/> 18.1
Interest receivable from group undertakings	<i>5</i>	<hr/> 0.6	<hr/> 0.5
Profit on ordinary activities before taxation		<hr/> 16.3	<hr/> 18.6
Tax charge on profit on ordinary activities	<i>6</i>	<hr/> (2.9)	<hr/> (4.6)
Profit attributable to ordinary shareholders retained	<i>12</i>	<hr/> 13.4	<hr/> 14.0

Statement of Total Recognised Gains and Losses
For the year ended 31 December 2011

There are no recognised gains and losses for the current financial year other than the profit of £13.4m shown above (2010 - £14.0m)

The notes form part of these financial statements

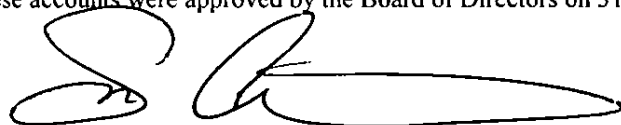
S & N F Limited

Registered number SC300161

**Balance Sheet
At 31 December 2011**

	<i>Note</i>	31 December 2011		31 December 2010	
		£m	£m	£m	£m
Fixed assets					
Intangible assets	7		313.5		313.5
Current assets					
Debtors	8	72.6		59.6	
Cash		3.3		-	
Creditors: amounts falling due within one year	9	(3.0)		(2.0)	
Net current assets			72.9		57.6
Total assets less current liabilities			386.4		371.1
Deferred taxation	10	(18.0)		(16.1)	
Net assets			368.4		355.0
Capital and reserves					
Called up share capital	11	306.1		306.1	
Profit and loss account	12	62.3		48.9	
Shareholders' funds			368.4		355.0

These accounts were approved by the Board of Directors on 31 May 2012 and were signed on its behalf by:



S M Paterson
Director

The notes form part of these financial statements

S & N F Limited

Notes to the accounts

1. Accounting Policies

Basis of preparation

The accounts are prepared on a historical cost basis and in accordance with applicable United Kingdom Accounting Standards.

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.

Intangible assets

Intangible assets are capitalised at cost. Where the useful life of the intangible asset is considered to be indefinite no annual amortisation charge is booked but the intangible asset is subject to an annual impairment review and any impairment to carrying value is charged to the profit and loss account in the period. Where the useful life of the intangible is not considered to be indefinite the asset is amortised in line with the pattern of the benefits earned under the licence.

Royalty Income

Royalty Income is included on a receivable basis calculated on sales of the Foster's brand arising during each accounting period as reported by licensees.

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.

2. Turnover

The turnover of the company is attributable to one continuing activity – royalty income derived from the Foster's brand throughout the UK and Europe.

3. Net operating costs

Fees of £3,000 (2010 - £3,000) in respect of services provided by the auditors for the statutory audit of the company were paid on the company's behalf by its ultimate parent company Scottish & Newcastle Ltd.

4. Remuneration of Directors

No directors received emoluments from the company during the year ended 31 December 2011 (2010 – nil).

5. Interest receivable

	Year ended 31 December 2011 £m	Year ended 31 December 2010 £m
Interest receivable from group undertakings	0.6	0.5

S & N F Limited

Notes to the accounts (continued)

6. Taxation charge on profit on ordinary activities

	Year ended 31 December 2011	Year ended 31 December 2010
	£m	£m
(i) Tax charge		
Group relief - Current year	1.0	1.7
Deferred tax - origination and reversal of timing differences	1.9	3.5
Effect of change in tax rates	-	(0.6)
	<u>2.9</u>	<u>4.6</u>
(ii) Tax reconciliation		
Profit on ordinary activities before taxation	16.3	18.6
Notional tax charge at UK corporation tax rate of 26.5% (2010 - 28%)	4.3	5.2
Capital allowances in excess of amortisation	(3.3)	(3.5)
Current tax charge	<u>1.0</u>	<u>1.7</u>

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £720,901.

S & N F Limited

Notes to the accounts (continued)

7. Intangible assets

<u>Cost</u>	Total £m
At 1 January 2011 and 31 December 2011	313.5
<u>Amortisation</u>	
At 1 January 2011 and 31 December 2011	-
<u>Net book value</u>	
At 1 January 2011 and 31 December 2011	313.5

The intangible assets relate to brand licences. The useful life of the assets is considered to be indefinite since there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the entity.

8. Debtors

	31 December 2011 £m	31 December 2010 £m
Amounts owed by group companies	72.6	59.6

9. Creditors: amounts falling due within one year

	31 December 2011 £m	31 December 2010 £m
Amounts owed to group companies	0.3	-
Group relief payable	2.7	2.0
	3.0	2.0

10. Deferred taxation

	31 December 2011 £m	31 December 2010 £m
Deferred tax - accelerated capital allowances	18.0	16.1
		£m
At 1 January 2011		16.1
Capital allowances in excess of amortisation		1.9
At 31 December 2011		18.0

S & N F Limited

Notes to the accounts (continued)

11. Called up share capital

<i>Authorised</i>	Number of shares		Amount	
	31 December 2011 m	31 December 2010 m	31 December 2011 £m	31 December 2010 £m
Ordinary shares of £1 each	400	400	400	400

<i>Allotted, called up & fully paid</i>	Number of shares		Amount	
	31 December 2011 m	31 December 2010 m	31 December 2011 £m	31 December 2010 £m
Ordinary shares of £1 each	306.1	306.1	306.1	306.1

12. Reconciliation of movements in shareholders' funds

	Share Capital £m	Profit and Loss Account £m	Total £m
At 1 January 2011	306.1	48.9	355.0
Profit attributable to ordinary shareholders	-	13.4	13.4
At 31 December 2011	306.1	62.3	368.4

13. 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.