Registered in Scotland, number SC300161

S&N F Limited

Directors' Report and Accounts

31 December 2008

S&N F Limited

DIRECTORS' REPORT

Directors' report for the year ended 31 December 2008
The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Principal activities
The principal activity of the company is to derive income from the Fosters brand in the United Kingdom and Europe.

Financial review
The retained profit for the year was £9.3m (year ended 31 December 2007 - £9.1m). The directors do not recommend the payment of an ordinary dividend.

Ultimate parent undertaking
The ultimate parent company at the balance sheet date was Heineken N.V.

Directors and their interests
The directors who held office during the year and to the date of this report were as follows:
P Kennerley (resigned 28 April 2008)
I McHoul (resigned 28 April 2008)
T Ward (resigned 23 May 2008)
F Renauld (resigned 25 September 2009)
A Dick (appointed 28 April 2008)
D Hazelwood (appointed 28 April 2008, resigned 1 September 2008)
A J Den Elzen (appointed 1 September 2008)
C Tedford (appointed 25 September 2009)
K J A Santry (appointed 25 September 2009)

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 and therefore primarily obtaining funding intra group. 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.

Future Developments
The company expects to continue to derive income from the Fosters brand in the UK and Europe and plans to expand within other geographical locations.

Political and charitable contributions
The company made no political or charitable contributions during the year (year ended 31 December 2007 – £nil).

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.

Directors' report *(continued)*

During the year, the auditors of the company were changed from Ernst & Young LLP to KPMG LLP to reflect the takeover by Heineken N.V. of the previous ultimate parent.

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

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

25th February 2010

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 judgements 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 1985. 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.

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

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Edinburgh
26th February 2010

Profit and Loss Account
For the year ended 31 December 2008

	Note	Year ended 31 December 2008 £m	Year ended 31 December 2007 £m
Turnover	*2*	13.4	15.7
Net operating income/(costs)	*3*	0.2	(2.7)
Operating profit		13.6	13.0
Interest payable and similar charges	*6*	(0.7)	(0.6)
Profit on ordinary activities before taxation		12.9	12.4
Tax on profit on ordinary activities	*7*	(3.6)	(3.3)
Profit attributable to ordinary shareholders retained	*13*	9.3	9.1

Statement of Total Recognised Gains and Losses
For the year ended 31 December 2008

There are no recognised gains and losses for the current financial year other than the profit of £9.3m shown above (year ended 31 December 2007 - £9.1m)

Registered number SC300161

Balance Sheet
At 31 December 2008

		31 December 2008		31 December 2007	
	Note	**£m**	**£m**	**£m**	**£m**
Fixed assets					
Intangible assets	*8*		313.5		313.5
Current assets					
Debtors	*9*	25.7		4.6	
Cash		1.1		22.0	
		26.8		26.6	
Creditors: amounts falling due within one year	*10*	-		(12.7)	
Net current assets			26.8		13.9
Total assets less current liabilities			340.3		327.4
Provisions for liabilities and charges	*11*		(9.8)		(6.2)
Net assets			330.5		321.2
Capital and reserves					
Called up share capital	*12*		306.1		306.1
Profit and loss account	*13*		24.4		15.1
Shareholders' funds			330.5		321.2

These accounts were approved by the Board of Directors on 25th February 2010 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 on the basis that the ultimate holding company will not demand repayment of amounts owed to it within twelve months of the date of signing these accounts. The holding company has confirmed this support in writing.

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 impairment is provided 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 Fosters 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 Fosters brand throughout the UK and Europe.

Notes to the accounts (continued)

3. Net operating costs

	Year ended 31 December 2008	Year ended 31 December 2007
	£m	£m
Cost of sales	-	2.5
Exchange gains	(0.2)	-
Staff costs	-	0.2
	(0.2)	2.7

Fees in respect of services provided by the auditors for non-audit services were £3,000 (year ended 31 December 2007 - £nil). Fees 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 Heineken Ltd.

4. Remuneration of Directors

No directors received emoluments from the company during the year ended 31 December 2008 (year ended 31 December 2007 - £nil).

5. Staff numbers and costs

There were no persons (including directors) employed by the company during the year (year ended 31 December 2007 – 1).

The aggregate payroll costs are analysed as follows:

	Year ended 31 December 2008 £m	Year ended 31 December 2007 £m
Wages and salaries	-	0.2

6. Interest payable and similar charges

	Year ended 31 December 2008 £m	Year ended 31 December 2007 £m
Interest payable to group undertakings	0.7	0.6

Notes to the accounts (continued)

7. Taxation on profit on ordinary activities

		Year ended 31 December 2008	Year ended 31 December 2007
		£m	£m
(i) Tax charge			
Group relief	- current year charge	-	-
	- prior year credit	-	(0.5)
		-	(0.5)
Deferred tax	- origination and reversal of timing differences in the current period	3.6	3.8
		3.6	3.3

	Year ended 31 December 2008	Year ended 31 December 2007
(ii) Tax reconciliation		
Profit on ordinary activities before taxation	12.9	12.4
Notional tax charge at UK corporation tax rate of 28.5% (2007 - 30%)	3.6	3.7
Tax amortisation of intangible asset	(3.6)	(3.6)
Permanent disallowable items		
Prior year credit	-	(0.5)
Change in rate	-	(0.1)
Current Tax	-	(0.5)

The deferred tax liability relates to tax relief for Intangible Fixed Asset amortisation claimed under Paragraph 10, Schedule 29 Finance Act 2002.

The Intangible Fixed Asset has not been amortised in the accounts giving rise to a timing difference and a deferred tax liability.

8. Intangible assets

	Total £m
Cost	
At 1 January 2008 and 31 December 2008	313.5
Amortisation	
At 1 January 2008 and 31 December 2008	-
Net book value	
At 1 January 2008 and 31 December 2008	313.5

Intangible assets comprise the Fosters Brand.

Notes to the accounts (continued)

9. Debtors

	31 December 2008 £m	31 December 2007 £m
Amounts owed by group companies	25.4	-
Trade debtors	-	4.3
Group relief receivable	0.3	0.3
	25.7	4.6

10. Creditors: amounts falling due within one year

	31 December 2008 £m	31 December 2007 £m
Amounts due to Group undertakings	-	12.7

11. Provision for liabilities and charges

	31 December 2008 £m	31 December 2007 £m
Deferred tax - other timing differences	9.8	6.2

12. Called up share capital

Authorised	Number of shares		Amount	
	31 December 2008 m	31 December 2007 m	31 December 2008 £m	31 December 2007 £m
Ordinary shares of £1 each	400	400	400	400
	400	400	400	400

	Number of shares		Amount	
Allotted, called up & fully paid	31 December 2008 m	31 December 2007 m	31 December 2008 £m	31 December 2007 £m
Ordinary shares of £1 each	306.1	306.1	306.1	306.1
	306.1	306.1	306.1	306.1

Notes to the accounts (continued)

13. Reconciliation of movements in shareholders' funds

	Share Capital £m	Profit and Loss Account £m	Total £m
At 1 January 2008	306.1	15.1	321.2
Profit attributable to ordinary shareholders	-	9.3	9.3
At 31 December 2008	306.1	24.4	330.5

14. 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.