

Registered number: SC300161

**S&NF LIMITED**

**UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**COMPANIES HOUSE  
EDINBURGH**

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## **S&NF LIMITED**

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## **S&NF LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	D M Forde L J Nicoll R Sikorsky K Taylor Welsh
<b>Registered number</b>	SC300161
<b>Registered office</b>	3-4 Broadway Park South Gyle Broadway Edinburgh EH12 9JZ

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

S&NF Limited ("The Company") is a wholly owned subsidiary of Heineken UK Limited , which heads up the smallest company into which the results of the company are consolidated. The ultimate parent company at the year-end was Heineken N.V., which heads up the largest Company into which the results of the Company are consolidated ("The Group").

The directors present their Strategic Report together with the financial statements for the year ended 31 December 2018.

**BUSINESS REVIEW**

The Company has acted as a brand holding company in the current and prior year. The profit after tax for the year was £4,148,000 (2017: £4,093,000) due principally to net interest earned on intercompany balances of £3,222,000 (2017: £2,132,000), the increase primarily attributable to an increase in interest rates in the year. Also attributable to royalty income derived from brands offset by amortisation of brands.

The Company is in a net asset position of £368,135,000. Primarily consisting of intangible assets for the brand held and intercompany loans.

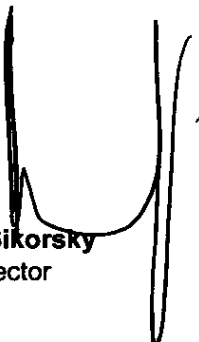
**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties associated with the company's financial assets and liabilities are set out in the Directors' Report on page 3.

**FINANCIAL KEY PERFORMANCE INDICATORS**

Given the simple nature of the business, no KPIs are used in the management of the company other than the figures in the Statement of Comprehensive Income itself.

This report was approved by the board on 30 September 2019 and signed on its behalf by:



**R Sikorsky**  
Director

## **S&NF LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their annual report and the financial statements of the Company for the year ended 31 December 2018.

#### **PRINCIPAL ACTIVITY**

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

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £4,148,000 (2017: £4,093,000).

No dividends were paid during the year (2017: £nil).

The business review is included on page 2 within the Strategic Report.

#### **DIRECTORS**

The directors who served during the year were:

G A Colquhoun (resigned 24 May 2018)

D M Forde

L J Nicoll (appointed 24 May 2018)

R Sikorsky

K Taylor Welsh

#### **FUTURE DEVELOPMENTS**

The company expects to continue to derive royalty income from brand rights across Europe.

#### **UK WITHDRAWAL FROM THE EU**

The UK electorate voted to leave the European Union ("EU") on 23 June 2016. The UK invoked Article 50 of the Lisbon Treaty on 29 March 2017, which triggered a two-year period, subject to extension, during which the UK government negotiated a withdrawal agreement with the EU.

The UK and other EU member states agreed to an extension of the two year period on 22 March 2019, to 22 May 2019, (if the UK Parliament approved the withdrawal agreement by 29 March 2019) or 12 April 2019 (if it did not). On 11 April 2019, the UK and the other EU member states agreed to a further extension to 31 October 2019 (or if the withdrawal agreement is ratified by both parties before this date, until the first day of the following month). The terms of the UK's withdrawal from the EU remain uncertain.

#### **GOING CONCERN**

The financial position of the Company is set out in the Statement of Financial Position on page 7 of the financial statements. The company has net current assets of £174,206,000 at 31 December 2018 (2017: £163,662,000). The company made a profit for the financial year of £4,148,000 (2017: £4,093,000) as set out in the Statement of Comprehensive Income on page 6. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk associated with this entity is that the carrying value of the brands held being insupportable. The directors do not believe this to be a significant risk due to their understanding of the underlying performance of the brands. An impairment review is completed on an annual basis and there are no indicators of impairment.

## **S&NF LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **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 group 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.

##### **Foreign currency risk**

The Company benefits from the management of foreign currency risk being undertaken at parent company level.

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The Company has made qualifying third party indemnity provisions for the benefit of its directors (which extend to the performance of any duties as a director of any associated company) and these remain in force at the date of this report.

#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the company since the year end

#### **EXEMPTION FROM AUDIT**

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. 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 preparation of accounts

This report was approved by the board on 30 September 2019 and signed on its behalf by:

  
**R Sikorsky**  
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. 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 accounting estimates that are reasonable and prudent;
- 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.

**S&NF LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
Turnover	4	<u>6,827</u>	<u>7,827</u>
<b>Gross profit</b>		<b>6,827</b>	<b>7,827</b>
Administrative expenses		<u>(5,140)</u>	<u>(5,140)</u>
<b>Operating profit</b>		<b>1,687</b>	<b>2,687</b>
Interest receivable and similar income	7	<u>3,257</u>	<u>2,175</u>
Interest payable and similar expenses	8	<u>(3)</u>	<u>-</u>
<b>Profit before tax</b>		<b>4,941</b>	<b>4,862</b>
Taxation	9	<u>(793)</u>	<u>(769)</u>
<b>Profit for the financial year attributable to owners of the Company</b>		<b><u>4,148</u></b>	<b><u>4,093</u></b>

The notes on pages 9 to 18 form an integral part of these financial statements.

Profits are derived from continuing operations.



**STATEMENT OF FINANCIAL POSITION**  
**AS AT YEAR ENDED 31 DECEMBER 2018**

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Intangible assets	10	<b>202,173</b>	207,313
<b>Current assets</b>			
Debtors	11	<b>178,598</b>	166,770
Cash at bank	12	<b>500</b>	2,251
		<b>179,098</b>	169,021
Creditors: amounts falling due within one year	13	<b>(4,892)</b>	(5,359)
<b>Net current assets</b>		<b>174,206</b>	163,662
<b>Total assets less current liabilities</b>		<b>376,379</b>	370,975
<b>Provisions for liabilities</b>			
Deferred taxation	14	<b>(8,244)</b>	(6,988)
<b>Net assets</b>		<b>368,135</b>	363,987
<b>Capital and reserves</b>			
Called up share capital	15	<b>306,102</b>	306,102
Profit and loss account	16	<b>62,033</b>	57,885
<b>Total equity</b>		<b>368,135</b>	363,987

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. 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 preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019 by:

**R Sitorsky**  
 Director

The notes on pages 9 to 18 form part of these financial statements.

**S&NF LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Shareholders' funds £000</b>
At 1 January 2018	306,102	57,885	363,987
Profit for the financial year and total comprehensive income	-	4,148	4,148
<b>At 31 December 2018</b>	<b>306,102</b>	<b>62,033</b>	<b>368,135</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Shareholders' funds £000</b>
At 1 January 2017	306,102	53,792	359,894
Profit for the financial year and total comprehensive income	-	4,093	4,093
<b>At 31 December 2017</b>	<b>306,102</b>	<b>57,885</b>	<b>363,987</b>

The notes on pages 9 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. GENERAL INFORMATION**

S&NF Limited (the "Company") is engaged to derive royalty income from brand rights across Europe. The Company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of its registered office is 3-4 Broadway Park, South Gyle Broadway, Edinburgh, EH12 9JZ.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

**Adoption of new and revised standards**

The company has adopted the following new International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), interpretations and amendments to existing standards, which are effective by EU endorsement for annual periods beginning on or after 1 January 2018:

**IFRS 9 Financial instruments**

IFRS 9 includes revised guidance on classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements. The standard replaces existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The company has implemented IFRS 9 per 1 January 2018 using the modified retrospective approach, meaning that the 2017 comparative financial information is not restated. Any impact of IFRS 9 as of 1 January 2018 is recognised directly in equity.

The company has amounts owed by and to other group undertakings which fall in to scope, the company has reviewed and concluded that the new standard has had no impact.

**IFRS 15 Revenue from contracts with customers**

The company adopted IFRS 15 'Revenue from Contracts with Customers' as per 1 January 2018. For implementation the full retrospective method is applied, meaning that the 2017 comparative financial information has been restated.

Revenue during the year was derived from royalty income on brand revenues in other group companies. The company has reviewed and concluded that the new standard has had no impact.

**2. ACCOUNTING POLICIES**

**2.1. Basis of preparation of financial statements**

The company meets the definition of a qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on a going concern basis, based on the historical cost convention. Historical cost is generally based on fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.1. Basis of preparation of financial statements (continued)**

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below:

**2.2. Going concern**

The financial position of the Company is set out in the Statement of Financial Position on page 7 of the financial statements. The company has net current assets of £174,206,000 at 31 December 2018 (2017: £163,662,000). The company made a profit for the financial year of £4,148,000 (2017: £4,093,000) as set out in the Statement of Comprehensive Income on page 6. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

**2.3. Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

**Royalties**

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

**2.4. Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Brands are considered to have a finite life and are amortised over 50 years from the date of acquisition.

**2.5. Impairment of intangible assets**

At each balance sheet date intangible assets are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5. Impairment of intangible assets (continued)**

An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

**2.6. Cash at bank**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.7. Financial instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The company classifies all of its financial assets as loans and receivables.

**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 arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

**Other financial liabilities**

The company classifies all of its other financial liabilities as liabilities at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7. Financial instruments (continued)**

**At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

**2.8. Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9. Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.10. Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.10 Current and deferred taxation (continued)**

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

**Sources of estimation uncertainty**

The preparation of the financial statements requires the company to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The directors do not believe there are any key sources of estimation uncertainty which materially affect the financial statements.

**Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of turnover and expenses during the reporting period.

Estimates and judgments are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The directors believe the following to be the key area of estimation and judgment:

- Useful economic life and impairment of brand licences. During the year, management considered the recoverability of its intangible assets which were included in its balance sheet at £202,173,000. The intangible assets continue to generate revenue in a satisfactory manner, and customer reaction has reconfirmed management's previous estimates of anticipated revenues from the intangible assets. Detailed sensitivity analysis has been carried out and management is confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

**4. TURNOVER**

The whole of the revenue is attributable to the receipt of royalties, as the principal activity of the company is the holding of brand assets to generate such royalties.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. AUDITOR'S REMUNERATION**

The company was entitled to exemption from audit under section 479A of the Companies Act 2006 and therefore incurred no audit fees in 2018 (2017: £10,000). No non-audit services were provided to the company in previous year. Fees in the prior year were paid on behalf of the company by Heineken UK Limited, its fellow group company.

**6. EMPLOYEES**

The company has no employees. Directors' remuneration is borne by other group companies in both the current and prior years as they are employed by other group companies.

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2018</b>	2017
	<b>£000</b>	£000
Interest receivable from group companies	<b>3,225</b>	2,132
Other income	<b>32</b>	43
	<u><b>3,257</b></u>	<u>2,175</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2018</b>	2017
	<b>£000</b>	£000
Interest payable to group companies	<u><b>3</b></u>	<u>-</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. TAXATION**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profit for the year	<b>(466)</b>	<b>(489)</b>
Adjustments in respect of previous years	<b>3</b>	-
Foreign tax relief	<b>(2)</b>	-
Foreign tax suffered	<b>2</b>	-
<b>Total current tax</b>	<b>(463)</b>	<b>(489)</b>
<b>DEFERRED TAX</b>		
Current year	<b>1,406</b>	<b>1,425</b>
Adjustment in respect of previous periods	<b>(2)</b>	-
Changes to tax rates	<b>(148)</b>	<b>(167)</b>
<b>TOTAL DEFERRED TAX</b>	<b>1,256</b>	<b>1,258</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>793</b>	<b>769</b>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Profit before tax	<b>4,941</b>	<b>4,862</b>
Profit multiplied by standard rate of corporation tax in the UK of 19 % (2017: 19.25%)	<b>939</b>	<b>936</b>
<b>EFFECTS OF:</b>		
Foreign withholding tax	<b>2</b>	-
Changes in tax rates	<b>(148)</b>	<b>(167)</b>
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>793</b>	<b>769</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. TAXATION (CONTINUED)**

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The Finance (No 2) Act 2015 enacted reductions in the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and from 19% to 18% from 1 April 2020. The Finance Act 2016 enacted a further 1% reduction in the main rate of corporation tax to 17% from 1 April 2020. Consequently, the Company's deferred tax balances, which were previously provided at 18%, were re-measured at the rate at which the Company believe the timing differences will reverse. The Finance Act 2019, which received Royal Assent in February 2019 will have no impact.

**10. INTANGIBLE ASSETS**

	<b>Brands £000</b>
<b>Cost</b>	
At 1 January 2018	<b>313,547</b>
<b>At 31 December 2018</b>	<b>313,547</b>
<b>AMORTISATION</b>	
At 1 January 2018	<b>160,234</b>
Charge for the year	<b>5,140</b>
<b>At 31 December 2018</b>	<b>111,374</b>
<b>Net book value</b>	
<b>At 31 December 2018</b>	<b>202,173</b>
At 31 December 2017	<b>207,313</b>

**11. DEBTORS**

	<b>2018 £000</b>	<b>2017 £000</b>
Amounts owed by group undertakings	<b>178,598</b>	<b>166,770</b>

All amounts owed by group undertakings are unsecured and accrue interest at 0.75% (2017: 0.6 %) plus LIBOR per annum, increase in the line with rates charged across the Group on similar loans. All amounts are repayable on demand. All loans with group companies are recorded at their fair value for both the current and previous year.

**12. CASH AT BANK**

	<b>2018 £000</b>	<b>2017 £000</b>
Cash at bank	<b>500</b>	<b>2,251</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**13. CREDITORS: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Group relief creditor	<u><b>4,892</b></u>	<u><b>5,359</b></u>

**14. DEFERRED TAXATION**

	<b>Deferred tax £000</b>
At 1 January 2018	<b>6,988</b>
Adjustment in respect of prior years	<b>(2)</b>
Charged to the Statement of Comprehensive Income	<u><b>1,258</b></u>
<b>At 31 December 2018</b>	<u><b>8,244</b></u>

In respect of prior year:

	<b>Deferred tax £000</b>
At 1 January 2017	<b>(5,730)</b>
Charged to the Statement of Comprehensive Income	<u><b>(1,258)</b></u>
<b>At 31 December 2017</b>	<u><b>(6,988)</b></u>

The provision for deferred taxation is made up as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Losses	<b>2</b>	<b>-</b>
Temporary differences on intangible asset amortisation	<u><b>(8,246)</b></u>	<u><b>(6,988)</b></u>
	<u><b>(8,244)</b></u>	<u><b>(6,988)</b></u>

**15. CALLED UP SHARE CAPITAL**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
306,101,626 (2017: 306,101,626) Ordinary shares of £1 (2017: £1) each (400,000,000 authorised shares)	<u><b>306,102</b></u>	<u><b>306,102</b></u>

**16. RESERVES**

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the company.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**17. ULTIMATE PARENT COMPANY**

The immediate parent undertaking at the Statement of Financial Position date, which was also the smallest group of undertakings for which financial statements were drawn up and of which the company was a member, was Heineken UK Ltd, a company registered in Scotland. Group financial statements for this company may be obtained from the Company Secretary, 3-4 Broadway Park, South Gyle Broadway, Edinburgh, EH12 9JZ, which is also its registered office.

The ultimate parent undertaking, and controlling party, at the Statement of Financial Position date, which was also the parent for the largest group of undertakings, for which group financial statements were drawn up and of which the company was a member, was Heineken N.V., a company registered in The Netherlands. Group financial statements for this company may be obtained from the Company Secretary, Heineken N.V., Tweede Weteringplantsoen 21, 1017 ZD, Amsterdam, the Netherlands, which is also its registered office.