

Registered in England, number 02378126

Inch's Cider Limited
Directors' Report and Accounts
For the year ended 31 December 2012

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Inch's Cider Limited

Directors' Report and Accounts

<i>Contents</i>	<i>Page</i>
Directors' report	3
Statement of Directors' responsibilities	4
Independent auditor's report to the members of Inch's Cider Limited	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the accounts	8

Inch's Cider Limited

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31 December 2012

Principal activity

The company is a financing company and owns various cider brand rights

Financial review

The company recorded a profit after tax in the year of £481,000 (2011 – £ £431,000) The company is in a net assets position, with its net assets made up entirely of intercompany and group relief balances 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 a dividend

Directors

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

A L Oliver

J C Low (resigned 31 March 2012)

S M Paterson

K Taylor-Welsh (appointed 23 March 2012)

Political and charitable contributions

The company made no political contributions or donations to UK charities during the year (2011 – nil)

Financial Risk Management Policy

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

Liquidity risk

The company benefits from the management of liquidity risk being undertaken at parent company level and therefore primarily obtaining funding intra group

Future Developments

The company expects to continue as a financing company and will retain and protect its cider brand rights

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



K Taylor-Welsh
Director
21 June 2013

Elsley Court
20-22 Great Titchfield Street
London
W1W 8BE

Inch's Cider Limited

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCH'S CIDER LIMITED

We have audited the financial statements of Inch's Cider Ltd for the year ended 31 December 2012 set out on pages 6 to 10. 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 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 website at 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 2012 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 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.



Michael Maloney (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

21 June 2013

Inch's Cider Limited

Profit and Loss Account for the year ended 31 December 2012

	<i>Note</i>	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Other operating income	2	5	-
Profit on ordinary activities before interest		5	-
Net interest receivable		630	586
Profit on ordinary activities before tax		635	586
Taxation charge on profit on ordinary activities	5	(154)	(155)
Profit attributable to ordinary shareholders retained		481	431

Statement of Total Recognised Gains and Losses for the year ended 31 December 2012

There are no recognised gains and losses for the current financial year other than the profit of £481,000 (year ended 31 December 2011 £431,000) shown above

The notes on pages 8 to 10 form part of these financial statements

Inch's Cider Limited

Registered number 02378126

**Balance Sheet
At 31 December 2012**

	<i>Note</i>	31 December 2012		31 December 2011	
		£'000	£'000	£'000	£'000
Current assets					
Debtors	6	18,467		17,949	
Creditors, amounts falling due within one year	7	(1,192)		(1,155)	
Net current assets			17,275		16,794
Net assets			17,275		16,794
Capital and reserves					
Called up share capital	8		940		940
Share premium account	9		313		313
Profit and loss account	9		16,022		15,541
Shareholder's funds			17,275		16,794

The notes on pages 8 to 10 form part of these financial statements

These accounts were approved by the Board of Directors on 21 June 2013 and were signed on its behalf by

K Taylor-Welsh
Director

The notes on pages 8 to 10 form part of these financial statements

Inch's Cider Limited

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

The financial statements have been prepared on the historical cost basis and the accounting policies outlined have been applied consistently throughout the periods under review

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

2 Net operating income

Fees of £1,000 (2011 - £1,000) in respect of services provided by the auditors for the statutory audit of the company and other services were paid on behalf of the company by Scottish & Newcastle Limited

Other operating income of £5,000 (2011 - £nil) relates to the sale of intellectual property. Until the point of sale this intellectual property was deemed to have no net realisable value

3 Remuneration of Directors

No directors received emoluments from the company during the year ended 31 December 2012 (2011 - £nil)

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was nil (2011 - nil)

5 Taxation charge on profit on ordinary activities

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
(i) Tax charge		
Group relief – current year	<u>154</u>	<u>155</u>
(ii) Tax reconciliation		
Profit on ordinary activities before taxation	635	586
Notional tax charge at UK corporation tax rate of 24.5% (2011 – 26.5%)	155	155
Profit on disposal of ineligible assets	(1)	-
Current tax charge	<u>154</u>	<u>155</u>

Inch's Cider Limited

Notes to the accounts (continued)

5 Taxation charge on profit on ordinary activities (continued)

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge accordingly.

6 Debtors

	31 December 2012 £'000	31 December 2011 £'000
Amounts owed by group undertakings	18,467	17,949

7 Creditors' amounts falling due within one year

	31 December 2012 £'000	31 December 2011 £'000
Amounts owed to other group companies	883	854
Group relief payable	309	301
	1,192	1,155

8 Called up share capital

Allocated & called up	Number of shares (000's)		Amount	
	31 December 2012	31 December 2011	31 December 2012 £'000	31 December 2011 £'000
Ordinary shares of £1 each	150	150	150	150
'A' ordinary shares of £1 each	97	97	97	97
'B' ordinary shares of £1 each	43	43	43	43
'A' preference shares of £1 each	150	150	150	150
'B' preference shares of £1 each	500	500	500	500
	940	940	940	940

The defined rights attaching to certain classes of shares are set out below.

'A' Ordinary Shares

Dividend - The shares carry the right to a dividend of 10.5% net of the nominal value of shares which is cumulative should the company be unable to make a distribution legally for any financial year. This dividend will be adjusted to 7% of profit before taxation as shown in the profit and loss account if higher, allocated to each share on a pro-rata basis.

Conversion - The shares may be converted at any time into a like number of ordinary shares.

On winding up - On winding up shareholders are entitled to £1 per share, together with a sum equal to any arrears of dividends, after any payment to preference shareholders but before ordinary shareholders. In addition any balance of assets shall be distributed amongst the holders of the 'A' ordinary, 'B' ordinary and ordinary shares in proportion to the amounts paid up.

Voting rights - Each share carries the right to one vote.

Inch's Cider Limited

Notes to the accounts (continued)

'B' Ordinary Shares

Dividend - The shares carry the right to a dividend of 6% net of the nominal value, plus premium paid on the issue of the shares, which is cumulative should the company be unable to make a distribution legally for any financial year. This dividend will be increased by 3 15% of profit before taxation as shown in the profit and loss account, allocated to each share on a pro-rata basis.

Conversion - The shares may be converted at any time into a like number of ordinary shares.

On winding up - On winding up shareholders are entitled to £1 per share, together with a sum equal to any arrears of dividends, after any payment to preference shareholders but before ordinary shareholders. In addition any balance of assets shall be distributed amongst the holders of the 'A' ordinary, 'B' ordinary and ordinary shares in proportion to the amounts paid up.

Voting rights - Each share carries the right to one vote.

'A' Preference Shares

Dividend - The shares carry the right to a dividend of 10 5% of the nominal value of shares which is cumulative should the company be unable to make a distribution legally for any financial year.

Redemption - The shares are redeemable at any time at £1 per share at the option of the company.

On winding up - On winding up shareholders are entitled to £1 per share, together with a sum equal to any arrears of preference dividends, and this payment shall be made in priority to any payments to ordinary shareholders, but ranking pari passu with the 'B' preference shares.

Voting rights - The shares carry no voting rights.

'B' Preference Shares

Dividend - The shares carry the right to a dividend of 8% net of the nominal value of shares which is cumulative should the company be unable to make a distribution legally for any financial year.

Redemption - The shares are redeemable at any time at £1 per share at the option of the company.

On winding up - On winding up shareholders are entitled to £1 per share, together with a sum equal to any arrears of preference dividends, and this payment shall be made in priority to any payments to ordinary shareholders, but ranking pari passu with the 'A' preference shares.

Voting rights - The shares carry no voting rights, except in a situation where dividends are in arrears for a period in excess of nine months, or redemption is more than six months overdue, whereupon each preference share has one vote.

Waiver of rights

H P Bulmer Limited has waived its rights to receive dividends on ordinary and preference shares.

9 Reconciliation of movements in shareholders' funds

	Share capital	Share premium	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 31 December 2011	940	313	15,541	16,794
Profit attributable to ordinary shareholders	-	-	481	481
At 31 December 2012	940	313	16,022	17,275

10 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 NV, a company registered in The Netherlands. Group accounts for this company may be obtained from the Company Secretary, Heineken NV, Tweede Weteringplantsoen 21, 1017 ZD, Amsterdam, The Netherlands.