

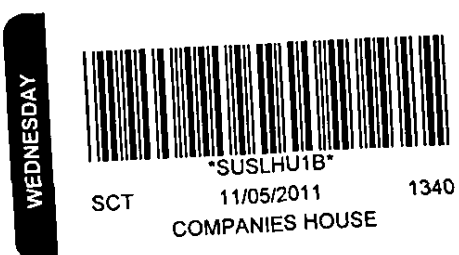
**International Wine Services Limited**

Registered in England, number 2947693

**International Wine Services Limited**

**Directors' Report and Accounts**

**31 December 2010**



# **International Wine Services Limited**

## **Directors' Report and Accounts**

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## **International Wine Services Limited**

### **Report of the Directors**

The directors present their annual report and the audited accounts for the year ended 31 December 2010

#### **Principal activity**

The principal activity of the company changed during the year from that of an investment holding company to a financing company. Following the sale of the company's subsidiary in the year, it is now planned to liquidate the company.

#### **Financial review**

The profit retained for the year amounted to €343,064,000 (year ended 31 December 2009 – €6,336,000). The large profit was principally due to the gain on disposal of the company's subsidiary, Sociedade Central de Cervejas e Bebidas SA of €330,050,000. The company's balance sheet is now largely made up of an intercompany receivable, after the funds from the sale were paid into the account of another Group company. 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.

#### **Directors**

The directors who held office during the year were as follows:

A J Den Elzen

S M Paterson

K J A Santry (resigned 17 December 2010)

W Payne (appointed 17 December 2010)

#### **Political and charitable contributions**

The company made no political contributions or donations to UK charities during the year.

#### **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 obtains any required funding from other group companies.

#### **Future Developments**

The company sold its investment in Sociedade Central de Cervejas e Bebidas SA on 19 July 2010 to Heineken Espana S A. The company will now operate as a financing company.

#### **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 Paterson**

*Director*

9 May 2011

Ashby House  
1 Bridge Street  
Staines  
TW18 4TP

## **International Wine Services 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 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 year. 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 INTERNATIONAL WINE SERVICES LIMITED**

We have audited the financial statements of International Wine Services Limited for the year ended 31 December 2010 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 (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](http://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 2010 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

**Mike Maloney (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

10 May 2011

## International Wine Services Limited

### Profit and Loss Account for the year ended 31 December 2010

		Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
	<i>Note</i>		
Net operating income	2	60	99
Gain on sale of subsidiary	7	333,050	-
<b>Operating profit</b>		<b>333,110</b>	<b>99</b>
Net interest receivable	5	13,839	6,127
<b>Profit on ordinary activities before taxation</b>		<b>346,949</b>	<b>6,226</b>
Taxation (charge)/credit on profit on ordinary activities	6	(3,885)	110
<b>Profit attributable to ordinary shareholders retained</b>	11	<b>343,064</b>	<b>6,336</b>

### Statement of Total Recognised Gains and Losses for the year ended 31 December 2010

There are no recognised gains and losses for the current financial year other than the profit of €343,064,000 (year ended 31 December 2009 – €6,336,000) shown above

**International Wine Services Limited**

REGISTERED NUMBER 2947693

**Balance Sheet  
At 31 December 2010**

	<i>Note</i>	<b>31 December 2010</b>		<b>31 December 2009</b>	
		<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Fixed assets</b>					
Investments	7		-		250,050
<b>Current assets</b>					
Debtors	8	773,253		357,430	
<b>Creditors: amounts falling due within one year</b>	9	<u>(3,607)</u>		<u>(180,898)</u>	
<b>Net current assets</b>			769,646		176,532
<b>NET ASSETS</b>			<u>769,646</u>		<u>426,582</u>
<b>Capital and reserves</b>					
Called up share capital	10		548		548
Share premium	11		399,989		399,989
Capital redemption reserve	11		3		3
Profit and loss account	11		<u>369,106</u>		<u>26,042</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>769,646</u>		<u>426,582</u>

These accounts were approved by the Board of Directors on 9 May 2011 and were signed on its behalf by



**S Paterson**  
Director

## International Wine Services Limited

### Notes to the accounts

#### 1 Accounting Policies

##### *Basis of preparation*

The accounts are prepared in accordance with applicable United Kingdom Accounting Standards and as a going concern

The accounts have been prepared on a historical cost basis and the accounting policies outlined have been applied consistently throughout the year 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

The company is exempt from the requirement to produce group accounts by the Companies Act 2006 section 400. The financial statements present information about the company as an individual undertaking and not about its group

The functional currency of the company is the Euro

##### *Investments*

Shares in subsidiaries are stated at cost less provisions for any impairment in value

##### *Foreign currencies*

Gains and losses arising from foreign currency transactions are included in the profit and loss account

#### 2 Net operating income

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Write back of intercompany creditor	25	-
Foreign exchange gains	35	99
Net operating income	60	99

Fees of £3,000 (2009 £3,000) 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 its parent company Scottish & Newcastle Ltd. Fees paid by the company to the auditors in respect of non-audit services during the year were €nil (2009 - €nil)

#### 3 Remuneration of directors

No directors received emoluments from the company during the year (2009 – €nil)

#### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was nil (2009 - nil)



# International Wine Services Limited

## Notes to the accounts (continued)

### 5 Net interest receivable

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
Receivable from other group undertakings	13,839	38,534
Payable to other group undertakings	-	(32,407)
	<u>13,839</u>	<u>6,127</u>

### 6 Taxation charge/(credit) on profit on ordinary activities

	Year ended 31 December 2010 €'000	Year ended 31 December 2009 €'000
(i) Tax charge/(credit)		
Group relief - current year	3,885	1,743
Group relief - prior year	-	(1,853)
	<u>3,885</u>	<u>(110)</u>
(ii) Tax reconciliation		
Profit on ordinary activities before taxation	346,949	6,226
Notional tax charge at UK corporation tax rate of 28%	97,146	1,743
Non taxable income	(93,261)	-
Previous year adjustment	-	(1,853)
	<u>3,885</u>	<u>(110)</u>

### 7 Investments

	€'000
At 31 December 2009	250,050
Disposal in the year	(250,050)
At 31 December 2010	<u>-</u>

On 19 July 2010, the company sold its investment in Sociedade Central de Cervejas e Bebidas SA (a company registered and operating in Portugal) to Heineken Espana S A for €583 1m, resulting in a gain on sale of €333 05m

### 8 Debtors

	31 December 2010 €'000	31 December 2009 €'000
Amounts owed by other group undertakings	<u>773,253</u>	<u>357,430</u>

# International Wine Services Limited

## Notes to the accounts (continued)

### 9 Creditors: amounts falling due within one year

	31 December 2010 €'000	31 December 2009 €'000
Amounts owed to other group undertakings	-	179,541
Group relief payable	3,607	1,357
	<u>3,607</u>	<u>180,898</u>

### 10 Called up share capital

	31 December 2010		31 December 2009	
<i>Authorised</i>	Number of shares	€'000	Number of shares	€'000
'A' ordinary shares of 1p each	44,000,000	627	44,000,000	627
'B' ordinary shares of 1p each	6,000,000	86	6,000,000	86
	<u>50,000,000</u>	<u>713</u>	<u>50,000,000</u>	<u>713</u>

Irrespective of the number of 'A' ordinary shares in issue the 'B' ordinary shares in issue as a class entitles the holders thereof to 12% of

- all votes capable of being cast at any shareholders' meetings of the company
- all dividends declared by the company
- all payments to shareholders upon liquidation of the company

	31 December 2010		31 December 2009	
<i>Allotted, called up &amp; fully paid</i>	Number of shares	€'000	Number of shares	€'000
'A' ordinary shares of 1p each	37,217,512	540	37,217,512	540
'B' ordinary shares of 1p each	589,176	8	589,176	8
	<u>37,806,688</u>	<u>548</u>	<u>37,806,688</u>	<u>548</u>

### 11 Reconciliation of movements in shareholders' funds

	Share capital €'000	Share premium account €'000	Capital redemption reserve €'000	Profit and loss account €'000	Total €'000
At 31 December 2009	548	399,989	3	26,042	426,582
Profit for year retained	-	-	-	343,064	343,064
At 31 December 2010	<u>548</u>	<u>399,989</u>	<u>3</u>	<u>369,106</u>	<u>769,646</u>

### 12 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.