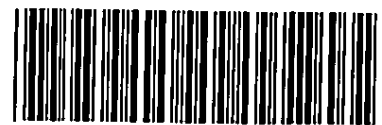


P&H (2002) Limited
Directors' Report and Financial Statements
Registered number 4236932
4 April 2009

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Directors' report

The directors present their directors' report and financial statements for P&H (2002) Limited for the period ended 4 April 2009. The comparative period was for the period ended 5 April 2008.

Principal activities

The company is an intermediate holding company within the Palmer & Harvey group.

Results and dividends

A summary of the results for the period is set out in the profit and loss account on page 5. No equity dividends were paid during the period (2008: £26,500,000).

Directors

The directors who have held office during the period are set out below:

Christopher Adams	
Christopher Etherington	
Christopher Little	(resigned 3 November 2008)
Jonathan Moxon	(appointed 3 November 2008)

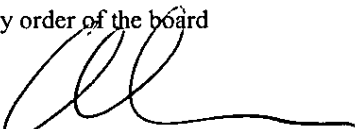
Disclosure of information to auditors

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


Andrew McKelvie
Secretary

P&H House
Davigdor Road
Hove
East Sussex
BN3 1RE

28 July 2009

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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 period. 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.



KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT
United Kingdom

Independent auditors' report to the members of P&H (2002) Limited

We have audited the financial statements of P&H (2002) Limited for the period ended 4 April 2009 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 sections 495 and 496 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities on page 3.

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, have been properly prepared in accordance with UK Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. 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 adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made. 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 of the state of the company's affairs as at 4 April 2009 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.


Mark Sheppard (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountant, 1 Forest Gate, Brighton Road, Crawley, RH11 9PT

28 July 2009

Profit and Loss Account
for the period ended 4 April 2009

	<i>Note</i>	Period ended 4 April 2009 £000	Period ended 5 April 2008 £000
Administrative expenses		(7)	(27)
Operating Loss		(7)	(27)
Interest receivable and similar income	5	1,200	2,244
Interest payable and similar charges	6	(3,069)	(7,053)
Dividend income		-	26,500
(Loss) / profit on ordinary activities before taxation	2	(1,876)	21,664
Tax credit on (loss) / profit on ordinary activities	7	515	697
(Loss) / profit for the period	13	(1,361)	22,361

The loss for the period arose solely from continuing activities.

There is no difference between the reported results and those prepared on an historical cost basis.

The notes on pages 8 to 14 form part of these financial statements.

Balance Sheet
at 4 April 2009

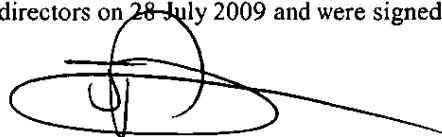
	<i>Note</i>	2009 £000	2009 £000	2008 £000	2008 £000
Fixed assets					
Investments	9		399,849		399,849
Current assets					
Debtors	10	33,247		33,126	
Cash at bank and in hand		113		-	
		<u>33,360</u>		<u>33,126</u>	
Creditors: amounts falling due within one year	11	<u>(72,581)</u>		<u>(70,986)</u>	
Net current liabilities			(39,221)		(37,860)
Total assets less current liabilities			<u>360,628</u>		<u>361,989</u>
Net assets			<u>360,628</u>		<u>361,989</u>
Capital and reserves					
Called up share capital	12		3		3
Revaluation reserve	15		350,000		350,000
Profit and loss account	13		10,625		11,986
Equity shareholders' funds			<u>360,628</u>		<u>361,989</u>

The notes on pages 8 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 28 July 2009 and were signed on its behalf by:



Christopher Etherington
Director



Jonathan Moxon
Director

Statement of Total Recognised Gains and Losses
for the period ended 4 April 2009

	Period ended 4 April 2009 £000	Period ended 5 April 2008 £000
(Loss) / profit on ordinary activities after taxation for the period	(1,361)	22,361
Unrealised surplus on revaluation of investments	-	350,000
Total recognised gains and losses relating to the financial period	(1,361)	372,361

The notes on pages 8 to 14 form part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of investments.

Group financial statements

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

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Investments

In the prior year, investments in subsidiary undertakings were revalued. As permitted by sections 131 and 133 of the Companies Act 1985, the shares acquired of Palmer & Harvey McLane (Holdings) Limited were originally stated in the company's accounts at the nominal value of the shares issued for the acquisition together with the amount of any other consideration and acquisition expenses.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Related parties

As the company is a wholly owned subsidiary of Palmer & Harvey (Holdings) Plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Palmer & Harvey (Holdings) Plc, within which this company is included, can be obtained from Companies House.

Cash flow statement

Under FRS 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Palmer & Harvey (Holdings) Plc and its cash flows are included within the consolidated cash flow statement of that company.

2 Profit on ordinary activities before taxation

	2009 £000	2008 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
<i>Auditors remuneration:</i>		
Audit of these financial statements	6	9
	<hr/>	<hr/>

Notes to the Financial Statements *(continued)*

3 Remuneration of directors

No directors received any emoluments from the company (2008: £nil).

4 Staff numbers and costs

The company employed no staff during the period (2008: £nil).

5 Interest receivable and similar income

	2009 £000	2008 £000
Bank interest	2	485
Intra group interest	1,198	1,759
	<u>1,200</u>	<u>2,244</u>

6 Interest payable and similar charges

	2009 £000	2008 £000
'A' Loan Note interest	3	404
Finance costs on shares classified as liabilities	36	2,512
Intra group interest	3,030	3,935
Bank interest and charges	-	202
	<u>3,069</u>	<u>7,053</u>

In accordance with FRS 25 dividends payable on the 'A' Redeemable Preference shares which have not been treated as equity have been reclassified as finance costs.

7 Taxation

The tax credit, based on the loss for the period, comprises:

	2009 £000	2008 £000
UK corporation tax at 28% (2008: 30%)	515	697

Notes to the Financial Statements (continued)

7 Taxation (continued)

Reconciliation of current period tax charge

The standard rate of corporation tax for the current period is 28% (2008: 30%). The current period tax credit is lower than 28% for the reasons stated below:

	2009 £000	2008 £000
(Loss) / profit on ordinary activities before tax	(1,876)	21,664
Tax (credit) / charge on (loss) / profit on ordinary activities at standard rate	(525)	6,499
<i>Factors affecting charge:</i>		
Non taxable income	-	(7,950)
Finance costs not deducted for tax purposes	10	754
Current tax credit	(515)	(697)

8 Dividends

	2009 £000	2008 £000
Ordinary dividends:		
Dividends paid	-	26,500

9 Fixed asset investments

	Palmer & Harvey McLane (Holdings) Limited	Buildtrue Limited	Total
Valuation at start and end of period	399,848	1	399,849

In the prior period, the company's investment in Palmer & Harvey McLane (Holdings) Limited was revalued to the implied valuation of the company derived from the MBO.

Notes to the Financial Statements *(continued)*

9 Fixed asset investments *(continued)*

The principal subsidiary undertakings which are wholly owned and registered in England and Wales, together with their principal activities are as follows:-

Name	Nature of business	Percentage of Ordinary shares held
Palmer & Harvey McLane (Holdings) Limited	Intermediate holding company	100%
Buildtrue Limited	Finance company	75%
Palmer & Harvey McLane Limited	Distribution and delivered wholesaling of tobacco, confectionery, soft drinks, crisps and snacks, ambient and chilled and frozen groceries, alcohol and related products	(indirectly held) 100%
P & H (1925) Limited	Property management	(indirectly held) 100%
Winerite Limited	Wine shippers and agents, importers, bonded warehouse keepers and wholesale wine and spirit merchants	(indirectly held) 100%
YP Electronics Limited	Supply and support of electronic point of sale computer systems	(indirectly held) 100%
P & H Snacksdirect Limited	Distribution and delivered sale of snacks products	(indirectly held) 100%
P & H Retail Services Limited	Intermediate holding company	(indirectly held) 100%
P & H Direct Limited	Intermediate holding company	(indirectly held) 100%
T. & A. Symonds Limited	Distribution and delivered wholesaling of tobacco, confectionery, soft drinks crisps and snacks, ambient groceries, alcohol and related products	(indirectly held) 100%
Northrealm Limited	Holding Company	(indirectly held) 100%
W.H. & H.M. Young Limited	Distribution and delivered wholesaling of tobacco, confectionery, soft drinks crisps and snacks, ambient groceries, alcohol and related products	(indirectly held) 100%
Mojo Wholesale Limited	Procurement agents and suppliers of confectionary, soft drinks, crisps and snacks, grocery, alcohol, chilled and frozen and related products	(indirectly held) 100%

In the opinion of the directors, a statement of the information required to be disclosed in respect of these investments in accordance with Schedule 6 of the Companies Act 2006 would be excessively long and therefore this information is not provided.

Notes to the Financial Statements *(continued)*

10 Debtors

	2009 £000	2008 £000
Amounts owed by group undertakings	33,247	32,778
Corporation tax	-	344
Other debtors	-	4
	<u>33,247</u>	<u>33,126</u>

11 Creditors: amounts falling due within one year

	2009 £000	2008 £000
'A' Loan Notes	3,465	3,465
Amounts owed to group undertakings	69,088	67,315
Taxation	-	50
Other creditors	28	32
Bank overdraft	-	124
	<u>72,581</u>	<u>70,986</u>

The 'A' loan notes are held by P&H (2008) Limited and attract a rate of interest equal to 1% per annum below LIBOR. They are repayable at the request of the note holder on 31 January and 31 July each year; the Company is entitled to redeem the loan notes on giving not less than 28 days notice in writing if not previously repaid or purchased by the Company at par on 31 January 2016.

12 Called up share capital

	2009 £	2008 £
Authorised		
Equity:		
2,000 'A' Ordinary shares of £1 each	2,000	2,000
76,002,202 'A' Ordinary shares of £0.00001 each	760	760
	<u>2,760</u>	<u>2,760</u>
	2009 £	2008 £
Non Equity:		
38,268,606 'A' Redeemable Preference shares of £0.00001 each	383	383
4,918,400 'A1' Deferred shares of £0.00001 each	49	49
22,487,883 'B' Redeemable Preference shares of £0.00001 each	225	225
11,739,931 'C' Redeemable Preference shares of £0.00001 each	117	117
	<u>774</u>	<u>774</u>
Total	<u>3,534</u>	<u>3,534</u>

Notes to the Financial Statements *(continued)*

12 Called up share capital *(continued)*

	2009 £	2008 £
Allotted, called up and fully paid		
Equity: 2,000 'A' Ordinary shares of £1 each	2,000	2,000
75,999,635 'A' Ordinary shares of £0.00001 each	760	760
	<u>2,760</u>	<u>2,760</u>

13 Profit and loss account

	2009 £000	2008 £000
At beginning of period	11,986	19,426
Retained (loss) / profit for the period	(1,361)	22,361
Dividends on shares classified in shareholders' funds	-	(26,500)
	<u>10,625</u>	<u>15,287</u>
Redemption of Preference shares	-	(3,301)
	<u>10,625</u>	<u>11,986</u>

The redemption of Preference shares in the period to 5 April 2008 represents the cash consideration for the Preference shares redeemed during the period.

14 Preference share redemption reserve

	2009 £000	2008 £000
At beginning of period	-	(73,725)
Redemption of Preference shares	-	3,301
Cancellation in exchange for the issue of new 'A' Preference shares in P&H (2008) Ltd	-	72,424
	<u>-</u>	<u>-</u>
At end of period	-	-

The preference share redemption reserve arose on the adoption of FRS 25 and was eliminated on the implementation of the Scheme of Arrangement on 28 March 2008.

15 Revaluation reserve

	2009 £000	2008 £000
At beginning of period	350,000	-
Revaluation of investment in Palmer & Harvey McLane (Holdings) Ltd	-	350,000
	<u>350,000</u>	<u>350,000</u>
At end of period	350,000	350,000

The company's investment in Palmer & Harvey McLane (Holdings) Limited was revalued in the period to 5 April 2008 to the implied valuation of the company derived from the MBO.

Notes to the Financial Statements *(continued)*

16 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
(Loss) / profit for the period	(1,361)	22,361
Dividends paid	-	(26,500)
Cancellation of Preference share redemption reserve	-	72,424
Issue of 'A' Ordinary Shares	-	1
Revaluation	-	350,000
	<hr/>	<hr/>
Net (reduction) / increase to shareholders' funds	(1,361)	418,286
Opening shareholders' funds	361,989	(56,297)
	<hr/>	<hr/>
Closing shareholders' funds	360,628	361,989
	<hr/>	<hr/>

17 Contingent liabilities and contingent assets

The company and its fellow group undertakings are jointly and severally liable for the indebtedness of the group to its bankers. At 4 April 2009 the company's contingent liability amounted to £201,819,000 (2008: £266,369,000).

18 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Palmer & Harvey (Holdings) Plc which is the ultimate parent company incorporated in the United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House.

The directors consider Palmer & Harvey (Holdings) Plc as the company's ultimate controlling party.

No other group financial statements include the results of the company.