

Globe (LP) Limited

Report and Financial Statements

1 June 2009



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Company Information

Registered No: SC161625

Directors

K Santry (appointed 30 April 2010)

DC Macintyre (appointed 30 April 2010)

Secretary

M Ingham (resigned 30 April 2010)

Solicitors

Freshfields Bruckhaus Deringer LLP

65 Fleet Street

London

EC4Y 1HS

Registered office

2-4 Broadway Park

South Gyle Broadway

Edinburgh

EH12 9JZ

Directors' Report

The directors present their report and financial statements for the year ended 1 June 2009.

Principal activity and review of the business

Globe (LP) Limited holds amounts due to and from group companies on which interest is charged on an annual basis. The company has no other transactions. This is likely to be the case in the foreseeable future.

Financial risk management policy

The company's only financial instruments comprise intercompany deposits and or borrowings, the main purpose of which is to provide finance for its normal trading operations. Due to the nature of its financial instruments, the company does not consider that any significant financial risks exist for which policies are required.

Results and dividends

The result for the year was a loss of £1,147,510 (2008 - £30,275,023). The results for the year are stated after exceptional charges of £928,369 which is explained in note 4 to the accounts. The directors do not recommend the payment of a dividend (2008 - £nil).

Financial position

The financial position of the company is set out on page 8 of the financial statements. The company had net current liabilities of £31,042,776 at 1 June 2009. The net current liabilities of £31,042,776 are net amounts due to group undertakings. The group undertakings have confirmed that repayment of intercompany loans will not be payable for a period until at least one year from the approval of the financial statements and that interest payments are accrued and added to the loan balance. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore conclude it is appropriate to adopt the going concern basis in preparing financial statements.

Directors

The directors who served during the year to 1 June 2009 were as follows:

A Brown (resigned 30 April 2010)
M Grunnell (resigned 30 April 2010)
T Smalley (resigned (16 September 2009)

The directors who currently serve are as follows:

K Santry (appointed 30 April 2010)
DC Macintyre (appointed 30 April 2010)

Events since the balance sheet date

Change of ultimate parent company

The entire share capital of The Globe Pub Company Limited, Globe (LP) Limited's intermediate parent company, was transferred to EBP Pub Company (Holdings) Limited (now known as Blue Star Pub Company Holdings (No 2) Limited) on 28 October 2009.

As of 30 April 2010, Refresh Pub Company (Holdings) Limited, a wholly owned indirect subsidiary of Heineken N.V. took full ownership of Blue Star Pub Company Holdings (No 2) Limited. As a consequence, the ultimate parent company of Globe (LP) Limited is now Heineken N.V.

Directors' Report

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 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 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.

Disclosure of information to auditors

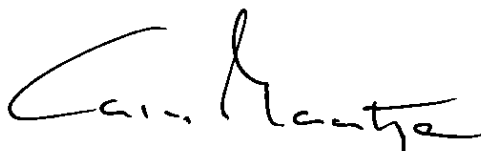
In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The auditors, Ernst & Young LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the board



DC Macintyre
Director
16 July 2010

Independent Auditors' Report to the members of Globe (LP) Limited

We have audited the financial statements of Globe (LP) Limited for the year ended 1 June 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 1 June 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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.

Independent Auditors' Report to the members of Globe (LP) Limited

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.

Ernst & Young LLP.

Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
16 July 2010

Profit and loss account

for the year ended 1 June 2009

Registered no: SC161625

	<i>Notes</i>	<i>Year ended 2009 £</i>	<i>Year ended 2008 £</i>
Exceptional items			
Impairment of investment in subsidiary	4	-	(10,607,744)
Provision against amounts due from group undertakings	4	(928,369)	(19,341,020)
Operating profit/loss	2	(928,369)	(29,948,764)
Net interest payable	5	(506,604)	(490,945)
Loss on ordinary activities before taxation		(1,434,973)	(30,439,709)
Tax on loss on ordinary activities	6	287,463	164,686
Loss on ordinary activities after taxation		(1,147,510)	(30,275,023)

Statement of total recognised gains and losses

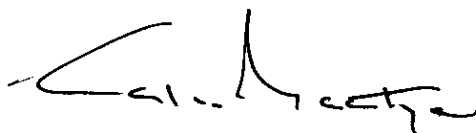
There are no recognised gains or losses other than the loss of £1,147,510 (2008: £30,275,023) in the year to 1 June 2009.

Balance sheet

at 1 June 2009

Registered no: SC161625

	Notes	2009 £	2008 £
Fixed assets			
Investments	7	-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors	8	287,463	-
Creditors: amounts falling due within one year	9	(31,330,239)	(29,895,266)
Net current liabilities		<u>(31,042,776)</u>	<u>(29,895,266)</u>
Net (liabilities)/assets		<u>(31,042,776)</u>	<u>(29,895,266)</u>
Capital and reserves			
Called up share capital	10/11	2	2
Profit and loss account	11	(31,042,778)	(29,895,268)
		<u>(31,042,776)</u>	<u>(29,895,266)</u>



DC Macintyre
Director
16 July 2010

Notes to the financial statements

at 1 June 2009

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, United Kingdom Generally Accepted Accounting Practice. In accordance with Financial Reporting Standard 18, the directors will continue to review the accounting policies.

Basis of Accounting

The company has a deficit on shareholders' funds at 1 June 2009. The directors have considered the company's financial position as described in the Directors' Report and the directors believe there are no material uncertainties which may cast significant doubt on the company's ability to continue as a going concern. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore conclude it is appropriate to adopt the going concern basis in preparing the financial statements.

Going concern

The financial statements have been prepared on a going concern basis notwithstanding net liabilities of £31,330,239 including amounts payable to group undertakings of £31,330,239. The group undertakings owed the obligations have confirmed that repayment of intercompany balances will not be payable for a period until at least one year from the approval of the financial statements.

Heineken UK Limited, the company's intermediate parent company has provided a letter of support to the Directors which states that Heineken UK Limited will provide Globe (LP) Limited with financial support for a period of at least twelve months from the date of signing the 1 June 2009 statutory accounts to allow it to meet its liabilities or other obligations as and when they fall due. The Directors therefore conclude it is appropriate to adopt the going concern basis in preparing the financial statements.

The directors are satisfied that Heineken UK Limited is in a position to support the company for at least 12 months from the date of signing these financial statements.

Group financial statements

The company has taken advantage of the exemptions allowed by s.400 (2) of the Companies Act 2006. As such, group financial statements have not been prepared as the company is wholly owned by another UK incorporated company.

Deferred taxation

Deferred taxation is provided, without discounting, on all timing differences which have originated but not reversed at the balances sheet date except for those which should not be recognised under Financial Reporting Standard 19, 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.

Cash flow statement

Under Financial Reporting Standard 1 (Cash Flow Statements) the company is exempt from the requirement to prepare a cash flow statement because it is a wholly owned subsidiary undertaking and consolidated financial statements which include the company are publicly available.

Notes to the financial statements

at 1 June 2009

2. Operating loss

	2009	2008
	£	£
This is stated after charging:		
Impairment of investment in subsidiary	-	(10,607,744)
Provision against amounts due from group undertakings	(928,369)	(19,341,020)
	<u></u>	<u></u>

1. Amounts due from The Globe Pub Company Limited are considered to be irrecoverable and, although still legally due, have been provided for in full. The provision made in respect of the group balances totals £20,269,389 and is split as follows; Globe Pub Company Limited - £15,105,049, Globe (PT) Limited - £1,169,967, MGR Leisure Limited - £3,973,518, Valefrost - £400, Globe Pub Management Limited - £20,455.

Fees 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 The Globe Pub Company Limited. Fees paid by the company to the auditors in respect of non-audit services during the period were £nil (period ended 1 June 2008 - £nil).

3. Information regarding directors and employees

The only employees of the company were the directors who did not receive any remuneration from the company.

4. Exceptional items

Included in the income statement are the following exceptional items:

	2009	2008
	£	£
Operating		
Impairment of investment in subsidiary	-	(10,607,744)
Provision against amounts due from group undertakings	(928,369)	(19,341,020)
Total exceptional items before taxation	<u>(928,369)</u>	<u>(29,948,764)</u>
Tax impact of exceptional items	-	-
Total exceptional items after taxation	<u>(928,369)</u>	<u>(29,948,764)</u>

1. Amounts due from The Globe Pub Company Limited are considered to be irrecoverable and, although still legally due, have been provided for in full. The provision made in respect of the group balances totals £20,269,389 and is split as follows; Globe Pub Company Limited - £15,105,049, Globe (PT) Limited - £1,169,967, MGR Leisure Limited - £3,973,518, Valefrost - £400, Globe Pub Management Limited - £20,455.

Notes to the financial statements

at 1 June 2009

5. Net interest payable

	2009 £	2008 £
Interest receivable from other group undertakings	928,369	878,304
Interest payable to other group undertakings	(1,434,973)	(1,369,249)
	<u>(506,604)</u>	<u>(490,945)</u>

6. Taxation on profit on ordinary activities

(a) Tax charge

	2009 £	2008 £
Group Relief – current year	(141,849)	
Group Relief – prior year	(145,614)	(164,686)
Total tax charge	<u>(287,463)</u>	<u>(164,686)</u>

(b) Factors affecting current tax charges

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 28% (2008: 29.67%). The differences are explained below:

	2009 £	2008 £
Loss on ordinary activities before taxation	<u>(1,434,973)</u>	<u>(30,439,709)</u>
Notional tax charge at UK corporation tax rate of 28% (2008: 29.67%)	(401,792)	(9,031,462)
Expenses not deductible for tax purposes ¹	259,943	8,885,799
Credit on current year losses not recognised	-	145,663
Adjustments in respect of prior periods	(145,614)	(164,686)
	<u>(287,463)</u>	<u>(164,686)</u>

¹ Expenses not deductible for tax purposes include:

Impairment of investment in subsidiary	-	3,147,318
Provision against loan amounts due from group undertakings	259,943	5,738,481
	<u>259,943</u>	<u>8,885,799</u>

Notes to the financial statements

at 1 June 2009

6. Taxation on profit on ordinary activities (continued)

(c) Factors affecting future tax charge

It was announced in the Budget of 22 June 2010 that the UK corporation tax rate will reduce by 1% per year from 1 April 2011 for four years, bringing the corporation tax rate down to 24% from 1 April 2014. There is also a proposed reduction in the main and special rates of capital allowances to 18% and 8% respectively for accounting periods ending after April 2012. These changes will affect the amount of future cash tax payments to be made by the Group.

7. Fixed asset investments

	2009 £	2008 £
Investment in subsidiary undertakings	-	10,607,744
Amounts provided for	-	(10,607,744)
	<u>-</u>	<u>-</u>

Subsidiary companies

<i>Name of company</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Globe (PT) Limited	Ordinary	100%	Pub management and leasing company
MGR Leisure Limited	Ordinary	100%	Pub management and leasing company
MGR Leisure Limited	Ordinary B	100%	Pub management and leasing company

8. Debtors: receivable within one year

	2009 £	2008 £
Amounts due from group companies (see note 4)	287,463	-
	<u>287,463</u>	<u>-</u>

9. Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts due to group undertakings	31,330,239	29,895,266
	<u>31,330,239</u>	<u>29,895,266</u>

Notes to the financial statements

at 1 June 2009

10. Share capital

The authorised, allotted and fully paid share capital of the company consisted of:

	<i>Authorised</i>	<i>Allotted, called up and fully paid</i>	<i>Authorised</i>	<i>Allotted, called up and fully paid</i>
	<i>2009</i>	<i>2009</i>	<i>2008</i>	<i>2008</i>
	£	£	£	£
Ordinary shares of £1 each	100	2	100	2

11. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£
At 2 June 2008	2	(29,895,268)	(29,895,266)
Loss for the year	-	(1,147,510)	(1,147,510)
At 1 June 2009	2	(31,042,778)	(31,042,776)

12. Parent undertaking and controlling party

The immediate parent undertaking of the company is Homelawn Limited.

In the directors' opinion the company's ultimate parent undertaking and controlling party is Heineken UK Ltd a subsidiary of 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.

13. Related party transactions

Related party transactions with group companies or interests of the group have not been disclosed in accordance with the exemption for subsidiary undertakings contained in Financial Reporting Standard 8 "Related Party Disclosures".

Notes to the financial statements

at 1 June 2009

14. Post Balance Sheet Event

Change of ultimate parent company

The entire share capital of The Globe Pub Company Limited, Globe (LP) Limited's intermediate parent company, was transferred to EBP Pub Company (Holdings) Limited (now known as Blue Star Pub Company Holdings (No 2) Limited) on 28 October 2009.

As of 30 April 2010, Refresh Pub Company (Holdings) Limited, a wholly owned indirect subsidiary of Heineken N.V. took full ownership of Blue Star Pub Company Holdings (No 2) Limited. As a consequence, the ultimate parent company of Globe (LP) Limited is now Heineken N.V.