

Registered No 2627421

Supermalt UK Limited

Report and Financial Statements

31 December 2012



Supermalt UK Limited

Registered No 2627421

Directors

H Brandt

L Jensen

Auditors

Ernst & Young LLP

400 Capability Green

Luton

Bedfordshire

LU1 3LU

Solicitors

Brabners Chaffe Street

1 Dale Street

Liverpool

L2 2ET

Registered Office

Gable House

1 Balfour Road

Ilford

Essex

IG1 4HP

Directors' report

The directors present their report and financial statements for the year ended 31 December 2012

Results and dividends

The loss for the year, after taxation, amounted to £253,668 (2011 £5,740 profit) The directors do not recommend the payment of a final dividend

Principal activity and review of the business

The company's principal activity during the year continued to be importing and distributing malt beverages in the UK

Directors and their interests

The directors who served during the year and subsequently were as follows

H Brandt
L Jensen

None of the directors had any disclosable interest in the shares of the company

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Going concern

Given the net asset position and underlying trading profitability of the company, which the directors expect to continue, the directors have prepared the financial statements on the going concern basis

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors to the company will be put to the Annual General Meeting

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006

By order of the Board



L Jensen
Director

30 SEP 2013

Statement of directors' responsibilities in respect of 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 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 those 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.

Independent auditors' report

to the members of Supermalt UK Limited

We have audited the financial statements of Supermalt UK Ltd for the year ended 31 December 2012 which comprise the Profit and Loss Account and the Balance Sheet and the related notes 1 to 16. 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 auditors' 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 Statement of Directors' Responsibilities set 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 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

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. In addition, we read all the financial and non financial information in the director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 the company's 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.

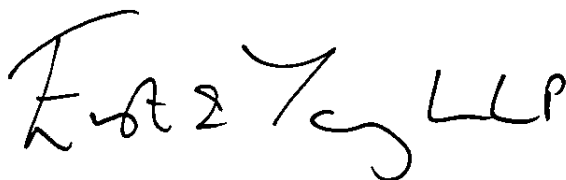
Independent auditors' report

to the members of Supermalt UK 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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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

A handwritten signature in black ink, appearing to read 'Fraser Bull', followed by 'LLP'.

Fraser Bull (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

30 SEP 2013

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2	5,222,987	2,880,105
Cost of sales		(4,351,847)	(2,207,529)
Gross profit		871,140	672,576
Distribution costs		(192,904)	(84,566)
Administrative expenses		(618,847)	(566,196)
Exceptional item – investment impairment		299,041	–
		(1,110,792)	(650,762)
Operating (loss)/profit	3	(239,652)	21,814
Interest receivable/(payable)	6	312	(10,533)
Other income		–	7,500
(Loss)/profit on ordinary activities before taxation		(239,340)	18,781
Tax charge on (loss)/profit on ordinary activities	7	18,270	13,041
(Loss)/profit retained for the year		(257,610)	5,740

Statement of total recognised gains and losses

There were no recognised gains or losses for the year ended 31 December 2012 other than the loss of £257,610 (2011 profit of £5,740)

Balance sheet

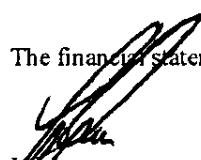
at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	8	750	3,750
Investments	9	1,092,959	1,392,000
		<u>1,093,709</u>	<u>1,395,750</u>
Current assets			
Stock		497,115	191,919
Debtors	10	1,539,261	1,456,505
Cash at bank and in hand		216,630	20,356
		<u>2,253,006</u>	<u>1,668,780</u>
Creditors, amounts falling due within one year	11	<u>1,530,168</u>	<u>990,373</u>
Net current assets		<u>722,838</u>	<u>678,407</u>
Total assets less current liabilities		<u><u>1,816,547</u></u>	<u><u>2,074,157</u></u>
Capital and reserves			
Called up share capital	12	9,700,000	9,700,000
Share premium account	13	1,500,000	1,500,000
Profit and loss account	13	(9,383,453)	(9,125,843)
Shareholders' funds		<u><u>1,816,547</u></u>	<u><u>2,074,157</u></u>

The financial statements were approved by the board on

30 SEP 2013

and signed on its behalf by


J. Jensen
Director

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of the investment in the subsidiary undertaking and in accordance with applicable accounting standards

Preparation of group financial statements

The company has utilised the exemption available under section 400 (1) of the Companies Act 2006, as a wholly owned subsidiary undertaking whose ultimate parent undertaking has prepared applicable consolidated financial statements which include the company and its subsidiary. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost or construction cost, together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the time of acquisition, of each asset evenly over its expected useful life as follows:

Motor vehicles	-	over 5 years
Fixtures and fittings	-	over 5 years

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments are accounted for at the lower of cost and net realisable value.

Stocks

Stocks are stated at the lower of cost and net realisable value less any provision for obsolescence.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception of deferred tax assets. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

Leasing

Rentals paid under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Revenue recognition

Revenue is recognised when the risks and rewards of the goods pass to the customer, usually on dispatch of the goods

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

2. Turnover

Turnover, in the United Kingdom, which is stated net of value added tax, represents amounts invoiced to third parties for the import and distribution of malt beverages.

An analysis of turnover by geographical market is given below

	2012	2011
	£	£
United Kingdom	5,222,987	2,880,105

Notes to the financial statements

at 31 December 2012

3. Operating profit

This is stated after charging

	2012 £	2011 £
Auditors' remuneration - audit of financial statements	6,683	7,000
- taxation services	6,400	6,351
Depreciation of owned tangible fixed assets	3,000	6,351
Operating lease rentals - land and buildings	16,488	42,043
	<u>32,571</u>	<u>61,745</u>

4. Directors' remuneration

None of the directors received any remuneration in respect of their services to the company

At 31 December 2012 there are no directors to whom retirement benefits are accruing in respect of qualifying services under money purchase or defined benefit pension schemes

5. Staff costs

	2012 £	2011 £
Wages and salaries	270,035	297,066
Social security costs	29,320	34,217
	<u>299,355</u>	<u>331,283</u>

The monthly average number of employees during the period was as follows

	2012 No	2011 No
Sales and distribution	3	3
Office and administration	2	2
	<u>5</u>	<u>5</u>

6 Interest (receivable)/payable

	2012 £	2011 £
Bank loans and overdrafts	1,442	10,585
Interest on intercompany balance	(1,754)	(52)
	<u>(312)</u>	<u>10,533</u>

Notes to the financial statements

at 31 December 2012

7. Tax

a) Tax on (loss)/profit on ordinary activities

The taxation charge is made up as follows

	2012	2011
	£	£
Current tax		
Based on the result for the year		
UK Corporation tax	17,874	12,998
Adjustment in respect of previous periods	396	43
Tax on (loss)/profit on ordinary activities	<u>18,270</u>	<u>13,041</u>

b) Factors affecting the current year tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are reconciled below

	2012	2011
	£	£
(Loss)/profit on ordinary activities before tax	(239,340)	18,781
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(58,638)	4,977
Effects of		
Expenses not deductible for tax purposes	73,675	17,355
Depreciation in excess of capital allowances	275	(4,231)
Other timing differences	2,562	(5,103)
Under/ (over) provision in previous years	396	43
Current tax charge for the year (note 7(a))	<u>18,270</u>	<u>13,041</u>

c) Factors that may affect future tax charges

Group policy is for group relief between UK companies not to be claimed

d) Deferred tax

There are no deferred tax assets or liabilities provided in the financial statements (2011: £nil). There is an unprovided deferred tax asset of £749,000 (2011: £814,000) in respect of prior year trading losses which is not recognised due to uncertainty over recoverability.

Notes to the financial statements

at 31 December 2012

8. Tangible fixed assets

	<i>Motor Vehicles</i> £	<i>Fixtures and fittings</i> £	<i>Total</i> £
Cost			
At 1 January 2012	43,626	3,407	47,033
Additions	–	–	–
Disposals	–	(3,407)	(3,407)
At 31 December 2012	43,626	–	43,626
Depreciation			
At 1 January 2012	39,876	3,407	43,283
Provided during the year	3,000	–	3,000
Disposals	–	(3,407)	(3,407)
At 31 December 2012	42,876	–	42,876
Net book value			
At 31 December 2012	750	–	750
At 1 January 2012	3,750	–	3,750

Notes to the financial statements

at 31 December 2012

9. Investments

	<i>Subsidiary undertakings £</i>
Cost	
At 1 January 2012 and 31 December 2012	1,455,440
Amounts provided	
At 1 January 2012	63,440
Provided during the year	299,041
At 31 December 2012	362,481
Net book value	
At 1 January 2012	1,392,000
At 31 December 2012	1,092,959

The company has the following investments

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Vitamalt (West Africa) Limited	Ordinary shares	100%	Brand development

Vitamalt (West Africa) Limited made a loss in the year ended 31 December 2012 of £6,619 (2011 £126,396 loss) and had net assets of £384,749 (2011 £391,368)

10. Debtors

	<i>2012 £</i>	<i>2011 £</i>
Trade debtors	1,537,761	1,447,659
Other debtors	1,500	6,836
Prepayments and accrued income	–	2,010
	1,539,261	1,456,505

Notes to the financial statements

at 31 December 2012

11. Creditors amounts falling due within one year

	2012 £	2011 £
Bank overdraft	–	6,761
Trade creditors	386,280	298,647
Amounts due to parent undertaking	235,324	125,299
Amounts due to subsidiary undertaking	343,152	342,921
Corporation tax	17,874	12,998
Other taxes and social security costs	200,794	(15,483)
Accruals	346,744	219,230
	<u>1,530,168</u>	<u>990,373</u>

Amounts due to parent undertaking at 31 December 2012 consists of a trading balance which is paid under normal commercial terms

12. Share capital

	2012 No	Authorised 2011 No	Allotted called up and fully paid 2012 £	2011 £
Ordinary shares of £1 each	9,700,000	9,700,000	9,700,000	9,700,000

13. Reserves

	Share capital £	Share premium account £	Profit and loss account £	Shareholder's funds £
At 1 January 2011	9,700,000	1,500,000	(9,131,583)	2,068,417
Profit for the year	–	–	5,740	5,740
At 31 December 2011	<u>9,700,000</u>	<u>1,500,000</u>	<u>(9,125,843)</u>	<u>2,074,157</u>
Loss for the year	–	–	(257,610)	(257,610)
At 31 December 2012	<u>9,700,000</u>	<u>1,500,000</u>	<u>(9,383,453)</u>	<u>1,816,547</u>

Notes to the financial statements

at 31 December 2012

14. Other financial commitments

At 31 December 2012 there were annual commitments under non - cancellable operating leases as set out below

	<i>Land and buildings</i>	
	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>
Operating leases which expire		
Within one year	-	-

15. Related party transactions

The company has taken advantage of the exemption in paragraph 3 of Financial Reporting Standard No 8 'Related Party Transactions', from disclosing transactions with related parties that are wholly owned members of The Royal Unibrew A/S or investees of the group

16. Parent undertaking and controlling party

The company is a wholly owned subsidiary undertaking of Royal Unibrew A/S, which is incorporated in Denmark. Group accounts may be obtained from Faxe Alle 1, 4640 Faxe, Denmark