Interbrew Services UK

Report and Accounts

31 December 2002

Registered No. 02810521



A23
COMPANIES HOUSE
0319
08/07/04

Registered No. 02810521

DIRECTORS
C Huyghe
P Winand
M Stanton (appointed 18 February 2004)

SECRETARY
S Phillips

AUDITORS
KPMG Audit Plc
8 Salisbury Square
London EC4Y 8BB

BANKERS
Fortis Bank
23 Camomile Street
London EC3A 7PP

SOLICITORS
Baker & McKenzie
100 New Bridge Street
London EC4V 6GA

REGISTERED OFFICE
Porter Tun House
500 Capability Green
Luton
Bedfordshire
LU1 3LS

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2002.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £59,772 (2001: £42,847). The directors do not recommend the payment of an ordinary dividend for the year (2001: £nil) which leaves a retained profit of £464,409 (2001: £404,637).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is to act as an agent for licensing and distribution agreements on behalf of Interbrew Licensing and Engineering B.V. and Interbrew Belgium S.A., respectively. A Management Services Agreement between the two companies was signed on 1 July 1998. The company is unlimited.

During 2001, much of the activity of Interbrew Services UK was transferred to another UK company within the Group, following the acquisition by the latter of the brewing and distribution activities of Whitbread plc. The parties terminated the Agreement with effect from 31 July 2002 by mutual consent.

DIRECTORS AND THEIR INTERESTS,

The directors during the year were as follows:

E Van Gansbeke	(Belgian)	Resigned 1 November 2002
G Soenen	(Belgian)	Resigned 1 November 2002
J Van Biesbroeck	(Belgian)	Resigned 1 November 2002
C Huyghe	(Belgian)	
P Winand	(Belgian)	Appointed 29 October 2002

None of the directors has any interest in the share capital of the company.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political or charitable contributions during the year.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution for the appointment of KPMG Audit Plc as auditors to the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Pierre Winand

P. WINAND

Director

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Report of the independent auditors to the members of Interbrew Services UK

We have audited the financial statements on pages 6 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

1 July 2003

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER	2	**126,959**	271,118
Cost of sales		**(87,687)**	(142,038)
GROSS PROFIT		**39,272**	129,080
Net operating expenses		**(75,862)**	(112,280)
OPERATING (LOSS)/PROFIT	3	**(36,590)**	16,800
Intercompany interest receivable		**-**	59,447
Net foreign exchange gains / (losses)		**490**	(574)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**(36,100)**	75,673
Taxation	6	**95,872**	(32,826)
PROFIT FOR THE FINANCIAL YEAR		**59,772**	42,847

There are no gains or losses other than those included in the profit for the year.
Income and expenditure relates to continuing operations.
The notes on pages 8-12 form part of these accounts.

BALANCE SHEET
at 31 December 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Debtors	7	**1,835,183**	1,568,490
Cash at bank and in hand		**1,098**	274,034
		1,836,281	1,842,524
CREDITORS: amounts falling due within one year	8	**(46,895)**	(112,910)
NET CURRENT ASSETS		**1,789,386**	1,729,614
NET ASSETS		**1,789,386**	1,729,614
CAPITAL AND RESERVES			
Called up share capital:	10		
-ordinary shares		**1,324,976**	1,324,976
-ordinary 'B' shares		**1**	1
Profit and loss account		**464,409**	404,637
EQUITY SHAREHOLDERS' FUNDS		**1,789,386**	1,729,614

The notes on pages 8-12 form part of these accounts.

These financial statements were approved by the board of directors on 20 April 04 and were signed on its behalf by:

Irene Winand

P WINAND

Director

NOTES TO THE ACCOUNTS
at 31 December 2002

1. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

As the company is a wholly owned subsidiary of Interbrew S.A., 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 accounts of Interbrew S.A., within which this company is included, can be obtained from the address given in note 13.

Cash flow

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Interbrew S.A., and its cash flows are included within the consolidated cash flow statement of that company.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

All leases are 'operating leases' and the rental charges are charged to the profit and loss account on a straight-line basis over the life of the lease. Under FRS 12, full provision has been made for the cost of the property rental during 2003 due to it being vacant at the year-end. It is strongly believed that a tenant for the property will be found during 2003 and hence this provision is assumed sufficient.

Pensions costs

Some of the company's employees are included in the scheme. The company itself is also part of a group scheme. This is a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax in full in accordance with FRS19. Deferred tax assets and liabilities are not discounted.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts received and receivable from the company's continuing principal activity.

NOTES TO THE ACCOUNTS
at 31 December 2002

3. OPERATING PROFIT

	2002 £	2001 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	**3,500**	7,000
Redundancy costs	**29,192**	-
Rentals payable under operating leases:		
Property	**76,319**	53,421
Other	**-**	1,883

4. DIRECTORS' EMOLUMENTS

The directors received no emoluments or pension contributions in connection with their services to Interbrew Services UK nor do they have any retirement benefits accruing to them from an Interbrew UK Pension Scheme.

5. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2002	2001
Office and management	**1**	1

The aggregate payroll costs of these persons were as follows:

	2002 £	2001 £
Wages and salaries	**29,445**	57,273
Social security costs	**3,427**	8,633
Other pension costs (see note 12)	**3,518**	7,036
	36,390	72,942

6. TAXATION

	2002 £	2001 £
Based on the profit/ (loss) for the year:		
Corporation tax (credit) / charge	**(10,680)**	32,826
Prior year adjustment	**(85,192)**	-
	(95,872)	32,826

7. DEBTORS

	2002 £	2001 £
Other debtors	**21,721**	13,415
Amounts due from group undertaking	**1,813,462**	1,555,075
	1,835,183	1,568,490

8. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Trade creditors	**-**	143
Accruals	**37,000**	7,000
Corporation tax	**9,895**	105,767
	46,895	112,910

9. TAX RECONCILIATION

	2002 £	2001 £
(Loss)/profit on ordinary activities before tax	**(36,100)**	**75,673**
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK (30%: 2002; 30% 2001)	**(10,830)**	**22,702**
Effects of:		
Expenses not deductible for tax purposes	**150**	**10,124**
Adjustments to tax charge in respect of previous periods	**(85,192)**	**-**
Current tax (credit)/charge for the year	**(95,872)**	**32,826**

10. SHARE CAPITAL

	Authorised 2002 No.	Authorised 2001 No.
Ordinary shares of £1 each	**500,000,000**	500,000,000
Ordinary 'B' shares of £1 each	**1,000**	1,000

	Allotted, called up and paid 2002 £	Allotted, called up and paid 2001 £
Ordinary shares of £1 each (The ordinary share capital is 1p paid up per share. There is no resolution to pay the remaining £0.99.)	**1,324,976**	1,324,976

	Allotted, called up and paid 2002 £	Allotted, called up and paid 2001 £
Ordinary 'B' shares of £1 each	**1**	1

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	2002 £	2001 £
Profit for the financial year	**59,772**	42,847
Net addition to shareholder's funds	**59,772**	42,847
Opening shareholders' funds	**1,729,614**	1,686,767
Closing shareholders' funds	**1,789,386**	1,729,614

12. PENSION SCHEME

The company operates a defined contribution pension scheme called the Interbrew Belgium Scheme.

The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £3,518 (2001: £7,036).

13. COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	2002 Land and buildings £	2001 Land and buildings £
Operating leases which expire:		
In the second to fifth years inclusive	**33,500**	33,500
	33,500	33,500

14. ULTIMATE PARENT UNDERTAKING

The immediate parent company is Interbrew International B.V. a company incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by Interbrew SA incorporated in Belgium. The consolidated accounts of this company are available to the public and may be obtained from Interbrew, Grand'Place 1, Brussels, Belgium.