

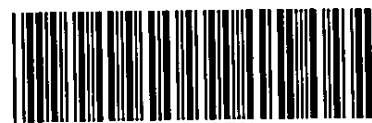
Hardys & Hansons Limited

Report and Accounts

2 May 2010

Registered number 00052412

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Directors' report

The directors present their report and accounts for the 52 week period ended 2 May 2010

Results and dividends

The profit after tax and interest was £5,167,000 (2009 £21,046,000) and the directors do not recommend the payment of an ordinary dividend (2009 £Nil)

Principal activities and review of the business

The company's principal activity is the employment and subsequent secondment of employees to fellow Greene King group companies under a service agreement

The company's performance in the year has met directors' expectations and no significant change to the operations of the business is expected in future years. As a 100% owned subsidiary of the Greene King plc group, the principal risks faced by the company are consistent with those disclosed within the Greene King plc financial statements for the period ended 2 May 2010

Directors and their interests

The directors during the period were as follows

J Adams	
R Anand	
I Bull	
D Elliott	(resigned 31 January 2010)
J Lawson	
J Webster	
S Longbottom	(appointed 1 February 2010)

None of the directors held any interest in the share capital of the company during the period

The interests of the directors in the shares of the ultimate parent company, Greene King plc, are shown in the accounts of that company, where they are directors of Greene King plc

Indemnity provision / directors' liabilities

The company has indemnified the directors of the company in respect of proceedings brought by third parties. Such qualifying third party indemnity provision remains in place at the date of this report

Statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving this report are listed above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditors are unaware, and
- they have 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

Employment policies

Internal communications

The company is committed to involving employees in its activities and believes that effective communication brings important business benefits. This is achieved through regular briefings, internal news announcements and access to an intranet for all computer-using employees, whilst information about the business is published in a range of in-house magazines and the annual report

Employee benefits

The company operates a profit-sharing scheme open to those employees with the requisite qualifying service and a sharesave option scheme in which all employees can participate. The schemes are intended to enhance commitment to the success of the company. All employees are offered access to a stakeholder-compliant defined contribution pension scheme

Training and development

The company is committed to developing its people. Training and development opportunities are provided for all employees, and range from bar skills training to MBA programmes. By giving employees the skill and knowledge essential to perform their jobs effectively, the group believes it will create a professional and highly motivated workforce that will take the business forward.

Equal opportunities

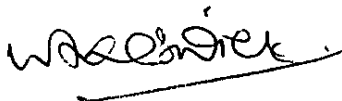
We recruit, develop, reward and promote our staff on the basis of their skills and suitability for the role. We are committed to ensuring that all employees receive equal treatment regardless of their colour, nationality, race, religion/belief, ethnic origin, sex, marital status, disability, part-time or fixed term status, parental responsibilities, sexual orientation or age. Our flexible benefits enable employees to tailor their benefits to what is important to them, including childcare and healthcare, as well as offering flexible working hours and working from home options where practicable.

Going concern

At the balance sheet date the company had net current assets of £331,153,000. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Re-appointment of auditors

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.



Mrs L A Keswick
Company Secretary

Date 16 December 2010

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). The financial statements are required by law to 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 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 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 that disclose with reasonable accuracy at any time the financial position of the company and to 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 auditor's report

to the members of Hardys & Hansons Limited

We have audited the financial statements of Hardys & Hansons Limited for the 52 week period ended 2 May 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 Directors' Responsibilities Statement 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 2 May 2010 and of its profit for the period 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.

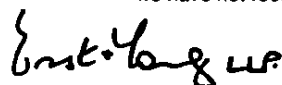
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Richard Murray (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

Date **20 DEC 2010**

Profit and loss account

for the 52 weeks ended 2 May 2010

	Notes	2 May 2010 £000	3 May 2009 £000
Turnover	2	2,472	3,485
Cost of sales	3	(2,466)	(3,476)
Operating profit		6	9
Net interest receivable	5	7,171	21,023
Profit on ordinary activities before taxation	6	7,177	21,032
Taxation	7	(2,010)	14
Profit / (loss) after taxation	11	5,167	21,046

There is no difference between the results as shown and those calculated on a historical cost basis

There were no other recognised gains or losses in the period other than those included in the profit and loss account and consequently no statement of total recognised gains and losses is presented

All activities relate to continuing operations

Balance sheet

as at 2 May 2010

	Notes	2 May 2010 £000	3 May 2009 £000
Current assets			
Debtors	8	336,206	330,931
Current liabilities			
Creditors amounts falling due within one year	9	(5,053)	(4,945)
Net assets		331,153	325,986
Capital and reserves			
Called up share capital	10	1,250	1,250
Capital redemption reserve	11	425	425
Profit and loss account	11	329,478	324,311
Shareholder's funds	11	331,153	325,986

Approved by the Board of Directors on 16 DEC 2010 and signed on its behalf by



I Bull
Director

Notes to the accounts

for the period ended 2 May 2010

1. Accounting policies**Basis of preparation**

These accounts have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards

Cash Flow Statement

The company has taken advantage of the exemption permitted by FRS1, whereby a wholly owned subsidiary need not prepare a cash flow statement provided the consolidated financial statements in which the subsidiary undertaking is included are publicly available

Pensions

The company participates in a defined contribution scheme, which is open to all new employees and a Hardy & Hansons defined benefit scheme which was closed to new entrants on 1 July 2003. Further disclosure of the defined benefit pension scheme can be found in the accounts of Greene King Plc, the ultimate parent company

Interest

Interest receivable or payable under the company's various investments and financial instruments is accrued so as to impute a constant periodic rate of return in the profit and loss account

Inter-company balances

Amounts owed by or to group undertakings are classified as short term assets or liabilities unless there is a loan arrangement in place that specifies repayment over a period longer than one year from the balance sheet date

2 Turnover

Turnover, which is stated net of value added tax, is derived from the provision of services in the United Kingdom which fall within the company's continuing ordinary activities. The principal business activity is employment and secondment

3. Cost of sales

	2010	2009
	£000	£000
Employee costs		
Wages and salaries	2,119	3,027
Social security costs	170	243
Pension costs	177	206
	2,466	3,476

The average number of persons employed by the company during the financial period was as follows,

	2010	2009
	No	No
Management, sales and administration	17	8
Brewing and distribution	12	9
Retailing	37	30
	66	47

Notes to the accounts

for the period ended 2 May 2010

4. Pension scheme contingent liability

The company participates in a defined contribution scheme, which is open to all new employees, and a Hardy & Hansons defined benefit scheme for former Hardy & Hansons employees which was closed to new entrants on 1 July 2003. Further disclosure of the defined benefit pension scheme can be found in the accounts of Greene King Brewing and Retailing Limited, a fellow subsidiary company.

Under the terms of the secondment agreement, whereby employees are seconded to Greene King Brewing and Retailing Limited, the £2,800,000 (2009 £4,500,000) pension scheme net deficit will ultimately be met by that company. The directors consider the risk of Greene King Brewing and Retailing Limited being unable to meet the deficit as improbable, and have therefore not provided for this liability.

5. Net interest receivable

	2010 £000	2009 £000
Interest receivable		
From group companies	7,280	21,342
Interest payable		
To group companies	(109)	(319)
	7,171	21,023

6. Profit on ordinary activities before taxation

Auditors' remuneration for both audit and non-audit services has been borne by other group companies.

The directors received no remuneration for their services in respect of the company in the financial period.

7. Taxation

	2010 £000	2009 £000
Current taxation		
Corporation tax	2,010	-
Adjustments in respect of prior periods	-	14
	2,010	14

Factors affecting current taxation charge for year

The effective rate of taxation is the same as the full rate of corporation tax. The reconciliation of the charge for the period is explained below.

	2010 £000	2009 £000
Profit on ordinary activities before tax	7,177	21,032
Profit on ordinary activities multiplied by standard rate corporation tax 28.0% (2009 28.0%)	2,010	5,889
Group relief	-	(5,889)
Adjustments in respect of prior periods	-	14
	2,010	14

Notes to the accounts

for the period ended 2 May 2010

8 Debtors

	2010 £000	2009 £000
Amounts owed by fellow group undertakings	336,206	330,931

9. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to fellow group undertakings	5,053	4,945

10. Allotted and issued share capital

Allotted, called up and fully paid

	2010 No	2009 No	2010 £000	2009 £000
Ordinary shares of 5p each	20,000,000	20,000,000	1,000	1,000
Deferred ordinary shares of 5p each	5,000,000	5,000,000	250	250
			1,250	1,250

11. Reserves

	Share capital £000	Capital redemption reserve £000	Profit and loss £000	Total £000
At 3 May 2008	1,250	425	303,265	304,940
Retained profit	-	-	21,046	21,046
At 3 May 2009	1,250	425	324,311	325,986
Retained profit	-	-	5,167	5,167
At 2 May 2010	1,250	425	329,478	331,153

12. Related party transactions

The company has taken advantage of the exemption permitted by FRS8 from the requirement to disclose transactions with the ultimate parent company, Greene King plc, or with any fellow subsidiaries within the group

13. Ultimate parent company

The directors regard Greene King plc, a company incorporated in Great Britain and registered in England and Wales, to be its ultimate parent company. Consolidated financial statements of Greene King plc for the 52 week period ended 2 May 2010 are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT

The company's immediate parent undertaking and controlling party is Greene King Acquisitions (No 3) Limited, a company incorporated in Great Britain and registered in England and Wales