

**Hardys & Hansons Limited**

Report and Accounts

3 May 2009

*Registered number: 00052412*

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## *Directors' report*

The directors present their report and accounts for the period ended 3 May 2009.

### *Principal activity and review of the business*

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

The company's operating profit of £9,000 (2008: £13,000) relates solely to this activity. The company's performance in the year has met directors' expectations and no significant change in trade is expected in future years.

### *Results and dividends*

The retained profit after tax was £21,046,000 (2008: £21,059,000) and the directors do not recommend payment of a dividend (2008: £nil).

### *Directors and their interests*

The directors during the period were as follows:

J Adams (appointed 29 October 2007)  
R Anand  
I Bull  
D Elliot  
J Lawson  
J Webster

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.

### *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 subsisted throughout the year and 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 group 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.

## *Directors' report*

### Employee benefits

The group 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 group 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.

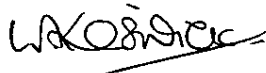
### Equal opportunities

The group is committed to the principle of equal opportunities for all. The rationale for recruitment and selection is the ability and aptitude of applicants. Disabled people are offered the same opportunities as all others in respect of recruitment, training, promotion and career development, taking account of their skills and qualifications. Employees who become disabled will be retained and retrained wherever possible.

### Auditors and Annual General Meeting

Resolutions have been passed dispensing with the need to hold an AGM and re-appoint auditors annually.

By order of the board



Mrs LA Keswick  
Company Secretary

Date: 11 Nov 09

## *Statement of directors' responsibilities in respect of the accounts*

The directors are responsible for preparing the Annual 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;
- 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 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.

## Hardys & Hansons Limited

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### *Independent auditor's report*

to the members of Hardys & Hansons Limited

We have audited the financial statements of Hardys & Hansons Limited for the period ended 3 May 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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 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 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 3 May 2009 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.

*Ernst & Young LLP.*

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

London

Date: *12 November 2009.*

## Hardys & Hansons Limited

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### *Profit and loss account*

for the period ended 3 May 2009

	<i>Notes</i>	<b>52 weeks to 3 May 2009 £000</b>	<b>53 weeks to 4 May 2008 £000</b>
Turnover	2	3,485	4,976
Cost of sales	3	(3,476)	(4,963)
Operating profit		9	13
Interest receivable	5	21,342	21,046
Interest payable	6	(319)	-
Profit on ordinary activities before taxation	7	21,032	21,059
Taxation	8	14	-
Profit on ordinary activities after taxation transferred to reserves	13	21,046	21,059

There are no other recognised gains and losses for the year.

All activities relate to continuing operations.

## Hardys & Hansons Limited

### *Balance sheet*

as at 3 May 2009

	Notes	3 May 2009 £000	4 May 2008 £000
<b>Fixed assets</b>			
Investments	9	-	175
<b>Current assets</b>			
Debtors	10	330,931	309,384
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(4,945)	(4,619)
<b>Net current assets</b>		<b>325,986</b>	<b>304,765</b>
<b>Net assets</b>		<b>325,986</b>	<b>304,940</b>
<b>Capital and reserves</b>			
Called up share capital	12	1,250	1,250
Capital redemption reserve	13	425	425
Profit and loss account	13	324,311	303,265
<b>Equity shareholder's funds</b>	13	<b>325,986</b>	<b>304,940</b>

Approved by the Board of Directors on 11 Nov 09 and signed on its behalf by:



I Bull  
Director

## ***Notes to the accounts***

for the period ended 3 May 2009

### **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.

#### **Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

#### **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.



## Hardys & Hansons Limited

### *Notes to the accounts* (continued)

for the period ended 3 May 2009

#### 3. *Cost of sales*

	52 weeks to 3 May 2009 £000	53 weeks to 4 May 2008 £000
<b>Employee costs</b>		
Wages and salaries	3,027	4,335
Social security costs	243	346
Pension costs	206	282
	<b>3,476</b>	<b>4,963</b>

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

	52 weeks to 3 May 2009 No	53 weeks to 4 May 2008 No
Management, sales and administration	8	14
Brewing and distribution	9	24
Retailing	30	90
	<b>47</b>	<b>128</b>

#### 4. *Pension scheme contingent liability*

The company participates in a defined contribution scheme, which is open to all new employees, a Greene King defined benefit scheme which closed to new entrants on 2 May 1997 and a Morland defined benefit scheme for former Morland employees which was closed to new entrants on 12 December 2000. Further disclosure of the defined benefit pension schemes 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 £85,070,000 (2008 - £60,465,000) 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.

**Hardys & Hansons Limited**

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**Notes to the accounts** *(continued)*

for the period ended 3 May 2009

5. *Interest Receivable*

	52 weeks to 3 May 2009 £000	53 weeks to 4 May 2008 £000
<b>Interest receivable</b>		
From fellow group undertakings	21,342	21,046

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6. *Interest Payable*

	52 weeks to 3 May 2009 £000	53 weeks to 4 May 2008 £000
<b>Interest payable</b>		
To fellow group undertakings	319	-

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7. *Profit on ordinary activities before taxation*

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

The directors' remuneration, included within employee costs (note 3), is in respect of services to the group and is disclosed in the accounts of Greene King plc.

## Hardys & Hansons Limited

### *Notes to the accounts (continued)*

for the period ended 3 May 2009

#### 8. Taxation

	52 weeks to 3 May 2009 £000	53 weeks to 4 May 2008 £000
<b>Current taxation</b>		
Corporation tax	-	-
Adjustments in respect of prior periods	14	-
	<b>14</b>	<b>-</b>

The company has no deferred taxation liability.

#### 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 prior year period is explained below:

	52 weeks to 3 May 2009 £000	53 weeks to 4 May 2008 £000
Profit on ordinary activities before tax	21,032	21,059
Profit on ordinary activities multiplied by standard rate corporation tax 28.0% (2008: 29.8%)	5,889	6,276
Group relief	(5,889)	(6,276)
Adjustments in respect of prior periods	14	(6,276)
Current taxation	<b>14</b>	<b>-</b>

## Hardys & Hansons Limited

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### *Notes to the accounts (continued)*

for the period ended 3 May 2009

#### 9. *Investments*

	2009 £000	2008 £000
Shares in subsidiaries	-	175

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At the 4 May 2008 the company held 100% of the share capital of Hansons Limited, a dormant company incorporated in England and Wales. During the period this company was liquidated and accordingly intercompany balances and investments in this company have been eliminated. The overall impact of this transaction is the recognition of no profit or loss in the period.

#### 10. *Debtors*

	2009 £000	2008 £000
Amounts owed by fellow group undertakings	330,931	309,384

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#### 11. *Creditors: amounts falling due within one year*

	2009 £000	2008 £000
Amounts owed to fellow group undertakings	4,945	4,619

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## Hardys & Hansons Limited

### *Notes to the accounts (continued)*

for the period ended 3 May 2009

#### 12. *Share capital*

##### Authorised

	2009 No	2008 No	2009 £000	2008 £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
			<b>1,250</b>	<b>1,250</b>

##### Allotted, called up and fully paid

	2009 No	2008 No	2009 £000	2008 £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
			<b>1,250</b>	<b>1,250</b>

#### 13. *Reconciliation of movements in shareholder's funds*

	Share capital £000	Capital redemption reserve £000	Profit and loss £000	Total £000
At 29 April 2007	1,250	425	282,206	283,881
Retained profit for the period	-	-	21,059	21,059
At 4 May 2008	1,250	425	303,265	304,940
Retained profit for the period	-	-	21,046	21,046
At 3 May 2009	<b>1,250</b>	<b>425</b>	<b>324,311</b>	<b>325,986</b>

#### 14. *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.

#### 15. *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 3 May 2009 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.