

Registered number: 00052412

HARDYS & HANSONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

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HARDYS & HANSONS LIMITED

DIRECTORS' REPORT

For the Period Ended 4 May 2014

The directors present their report and the financial statements for the period ended 4 May 2014

Principal activity

Until January 2013, the company's principal activity was the employment and subsequent secondment of employees to fellow Greene King plc group undertakings under a service agreement. All employees were transferred to fellow group undertakings in January 2013.

The company's continued activity is in the provision of financing, via intercompany loans, to fellow group companies.

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 53 weeks ended 4 May 2014.

Directors

The directors who served during the period were

R Anand
M Fearn (resigned 29 September 2014)
S Longbottom (resigned 7 April 2014)
J Webster
J Smith (appointed 12 March 2014 & resigned 22 August 2014)
K Millbanks (appointed 12 March 2014)
C Houlton (appointed 12 March 2014)
S Jebson (appointed 12 March 2014)
R Lewis (appointed 12 March 2014)

S J Connor was appointed to the board on 8 September 2014.

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

Qualifying third party indemnity provisions

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.

Going concern

At the balance sheet date the company had net current assets of £357,902,000. After making enquiries the directors have a reasonable expectation that the total assets of £363,365,000 are recoverable and that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the company is able to meet its liabilities as they fall due being a period of no less than 12 months from the date of approval of these financial statements.

HARDYS & HANSONS LIMITED

DIRECTORS' REPORT

For the Period Ended 4 May 2014

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

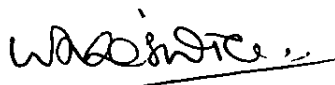
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor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

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 21 January 2015 and signed on its behalf



Mrs L A Keswick
Secretary

HARDYS & HANSONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the Period Ended 4 May 2014

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 AUDITOR'S REPORT TO THE MEMBERS OF HARDYS & HANSONS LIMITED

We have audited the financial statements of Hardys & Hansons Limited for the 53 weeks ended 4 May 2014, 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 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 auditor

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 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 Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 4 May 2014 and of its profit for the 53 weeks 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 53 week period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARDYS & HANSONS LIMITED (continued)

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, or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report



Bob Forsyth (senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor
Cambridge, UK

23 January 2015

HARDYS & HANSONS LIMITED

PROFIT AND LOSS ACCOUNT For the Period Ended 4 May 2014

| | | 53 weeks ended 4 May 2014 £000 | 52 weeks ended 28 April 2013 £000 |
|--|----|---|--|
| Turnover | 2 | | |
| Discontinued operations | | - | 1,300 |
| Administrative expenses | | - | (1,296) |
| Operating profit | 3 | | |
| Continuing operations | | - | - |
| Discontinued operations | | - | 4 |
| Interest receivable and similar income | 6 | 5,862 | 7,089 |
| Interest payable and similar charges | 7 | (88) | (107) |
| Profit on ordinary activities before taxation | | 5,774 | 6,986 |
| Tax on profit on ordinary activities | 8 | - | - |
| Profit for the financial period | 12 | 5,774 | 6,986 |

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

HARDYS & HANSONS LIMITED
Registered number: 00052412

BALANCE SHEET
As at 4 May 2014

| | Note | 4 May 2014 £000 | 28 April 2013 £000 |
|---|------|-----------------------|--------------------------|
| Current assets | | | |
| Debtors | 9 | 363,365 | 357,503 |
| Creditors: amounts falling due within one year | 10 | <u>(5,463)</u> | <u>(5,375)</u> |
| Net current assets | | 357,902 | 352,128 |
| Total assets less current liabilities being net assets | | <u>357,902</u> | <u>352,128</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 1,250 | 1,250 |
| Capital redemption reserve | 12 | 425 | 425 |
| Profit and loss account | 12 | <u>356,227</u> | <u>350,453</u> |
| Shareholders' funds | 13 | <u>357,902</u> | <u>352,128</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 January 2015


S J Connor
Director

The notes on pages 8 to 13 form part of these financial statements

HARDYS & HANSONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

I. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

Going concern

At the balance sheet date the company had net current assets of £357,902,000. After making enquiries the directors have a reasonable expectation that the total assets of £363,365,000 are recoverable and that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the company is able to meet its liabilities as they fall due being a period of no less than 12 months from the date of approval of these financial statements

Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

Pensions

In the prior period, the company operated a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund

In the prior period the company also participated in the Hardy & Hansons defined benefit scheme which was closed to new entrants, and was closed to future accrual in the prior period. During the period, the Hardy & Hansons defined benefit pension scheme merged with the Greene King defined benefit pension scheme. 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 at the balance sheet date

2. TURNOVER

Turnover in the prior period is stated net of value added tax. It is derived from the provision of services which fall within the company's discontinued activities. The principal business activity in the prior period was employment and secondment.

All turnover arose within the United Kingdom

HARDYS & HANSONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

3. OPERATING PROFIT

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL) from the company

The directors who held office during the period were also directors of fellow group undertakings. Total emoluments, including any company pension contributions, received by these directors totals £4,606,000 (2013 - £2,646,000) paid by the ultimate parent company or by other group companies. The directors do not believe that it is practicable to apportion this amount between qualifying services as directors to the company and of fellow group undertakings. The number of directors who received or exercised share options during the period was 9 (2013 - 4)

Auditor's remuneration for both audit and non-audit services has been borne by other group undertakings. The audit fee for the Greene King plc group for the 53 weeks ended 4 May 2014 was £336,000 (2013 - £326,000), of which an audit fee of £1,000 (2013 - £1,000) is allocated to this subsidiary

4. STAFF COSTS

Staff costs were as follows

| | 53 weeks ended 4 May 2014 £000 | 52 weeks ended 28 April 2013 £000 |
|-----------------------|--|--|
| Wages and salaries | - | 1,100 |
| Social security costs | - | 110 |
| Other pension costs | - | 86 |
| | <u>-</u> | <u>1,296</u> |

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

| | 53 weeks ended 4 May 2014 No | 52 weeks ended 28 April 2013 No |
|-----------|--|--|
| Retailing | <u>-</u> | <u>30</u> |

HARDYS & HANSONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

5. PENSION SCHEME CONTINGENT LIABILITY

In the prior period, the company participated in a defined contribution scheme and a Hardy & Hansons defined benefit scheme for former Hardy & Hansons employees which was closed to new entrants on 1 July 2003. The scheme was also closed to future accrual during the prior period. During the period, the Hardy & Hansons defined benefit pension scheme merged with the Greene King defined benefit pension scheme. 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.

6. INTEREST RECEIVABLE

| | 53 weeks ended 4 May 2014 £000 | 52 weeks ended 28 April 2013 £000 |
|---|---|--|
| Interest receivable from group undertakings | 5,862 | 7,089 |

7. INTEREST PAYABLE

| | 53 weeks ended 4 May 2014 £000 | 52 weeks ended 28 April 2013 £000 |
|--|---|--|
| Interest payable to group undertakings | 88 | 107 |

HARDYS & HANSONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

8. TAXATION

| | 53 weeks ended 4 May 2014 £000 | 52 weeks ended 28 April 2013 £000 |
|--|--|--|
| UK corporation tax charge on profit for the period | - | - |

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%). The differences are explained below

| | 53 weeks ended 4 May 2014 £000 | 52 weeks ended 28 April 2013 £000 |
|--|--|--|
| Profit on ordinary activities before tax | 5,774 | 6,986 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%) | 1,316 | 1,670 |
| Effects of: | | |
| Tax relief on interest received | (1,316) | (1,670) |
| Current tax charge for the period (see above) | - | - |

The Finance Act 2013 reduced the rate of corporation tax from 23% to 21% from 1 April 2014. There were no recognised or unrecognised deferred tax assets and liabilities at either balance sheet date.

Factors that may affect future tax charges

In addition to the reduction in corporation tax during the period the rate will reduce to 20% from 1 April 2015.

The above changes to the rate of corporation tax may impact the amount of future cash tax payments to be made by the company.

9. DEBTORS

| | 4 May 2014 £000 | 28 April 2013 £000 |
|------------------------------------|-----------------------|--------------------------|
| Amounts owed by group undertakings | 363,365 | 357,503 |

HARDYS & HANSONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

10. CREDITORS: Amounts falling due within one year

| | 4 May 2014 £000 | 28 April 2013 £000 |
|------------------------------------|-----------------------|--------------------------|
| Amounts owed to group undertakings | <u>5,463</u> | <u>5,375</u> |

11. SHARE CAPITAL

| | 4 May 2014 £000 | 28 April 2013 £000 |
|--|-----------------------|--------------------------|
| Allotted, called up and fully paid | | |
| 20,000,000 Ordinary shares of £0.05 each | 1,000 | 1,000 |
| 5,000,000 Deferred ordinary shares of £0.05 each | 250 | 250 |
| | <u>1,250</u> | <u>1,250</u> |

Both classes of shares rank pari passu in all respects except on the payment of a dividend

The profits of the company available for dividend and resolved to be distributed in any period shall be applied first in paying to the holders of the ordinary shares a fixed non-cumulative preferential dividend at the rate of 5 per cent per annum rateably according to the amounts paid up on such ordinary shares. The balance of such profits shall be distributed equally amongst the holders of the ordinary shares and the holders of the deferred ordinary shares (treated as one class) rateably according to the amounts paid up on such ordinary shares or deferred ordinary shares held by them respectively.

12. RESERVES

| | Capital redemption reserve £000 | Profit and loss account £000 |
|-----------------------|--|------------------------------------|
| At 29 April 2013 | 425 | 350,453 |
| Profit for the period | - | 5,774 |
| At 4 May 2014 | <u>425</u> | <u>356,227</u> |

HARDYS & HANSONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 4 May 2014 £000 | 28 April 2013 £000 |
|-----------------------------|--------------------------------|--------------------------|
| Opening shareholders' funds | 352,128 | 345,142 |
| Profit for the period | 5,774 | 6,986 |
| Closing shareholders' funds | <u>357,902</u> | <u>352,128</u> |

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption permitted by FRS 8 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 UNDERTAKING AND CONTROLLING PARTY

At 4 May 2014, the directors consider the immediate parent undertaking and controlling party of Hardys & Hansons Limited to be Greene King Acquisitions (No 3) Limited, a company incorporated in England and Wales

The ultimate controlling party is Greene King plc, a company registered in England and Wales. This is also the undertaking of the smallest and largest group which includes the results of the company and for which group accounts are prepared. Copies of its group accounts are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT