

Company Registration No. 04456158 (England and Wales)

CURIOUS DRINKS LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

WEDNESDAY



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CURIOUS DRINKS LIMITED

COMPANY INFORMATION

Directors	F.D. Thompson R.A.B. Woodhouse S.C. Gilliland R. Montague-Ebbs
Secretary	R.A.B. Woodhouse
Company number	04456158
Registered office	Chapel Down Winery, Small Hythe Road Tenterden Kent TN30 7NG
Registered auditor	Crowe Clark Whitehill LLP Chartered Accountants & Statutory Auditor 10 Palace Avenue Maidstone Kent ME15 6NF
Bankers	HSBC Bank Plc West London Corporate Centre 2nd Floor, Space One 1 Beadon Road London W6 0EA
Solicitors	Cripps LLP 22 Mount Ephraim Road Tunbridge Wells Kent TN4 8AS

CURIOUS DRINKS LIMITED

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CURIOUS DRINKS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

SUMMARY

Curious Drinks Limited is pleased to announce the company's results for the 12 month period ended 31 December 2016.

Highlights include:

- 32% sales growth to £3.44m (2015: £2.61m)
- 39% growth in gross profits to £1.1m (2015: £0.76m)
- £111k EBITDA (2015: £119k)
- A successful crowd-fund to build our new brewery in Ashford, raising £1.736m (equating to a 9.79% economic stake) valuing the business at £17.74m.

PERFORMANCE REVIEW

Beer and cider sales rose 32% to £3.442m. Our growth has focused on premium accounts and we have been delighted by the continuing progress in top end restaurants, bars, hotels and premium off trade where the brand has good sustainable rates of sale. We are successfully attracting aspirant consumers wanting interesting, original and accessible brands. We have national distribution through Majestic and Waitrose in the off trade and a network of wholesalers including Matthew Clark that enables us to get Curious beers in draught or bottles to the whole of Great Britain. We are supplying M&B as well as a number of up and coming on trade groups looking for something truly original.

We have a unique and distinctive consumer proposition – a winemaker's beer – which is increasingly rare in an exciting and fast-growing beer market. Our real point of difference and our appeal to a broad church of consumers give us a fantastic opportunity. We are very pleased with the top line growth and strong margins which are enabling us to re-invest in marketing and sales to build the brands. The construction of the new brewery and visitor facility in Ashford just 38 minutes from St Pancras will be a further stimulus for growth. The project is to start very shortly and we expect to be brewing on site during 2018.

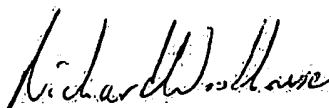
BUSINESS RISKS AND UNCERTAINTIES

The uncertainty following the EU referendum has had no real impact on our business to date.

Competition continues to grow in our market of craft beers, and we continue to invest in our people, brands and distribution to ensure that the business can thrive.

OUTLOOK

We remain cautiously optimistic about continuing growth in sales in 2017. The exciting growth of our beer and cider in a vibrant artisanal market sector is encouraging.



R.A.B. Woodhouse

21 April 2017

CURIOUS DRINKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and financial statements for the year ended 31 December 2016.

Directors

The following directors have held office since 1 January 2016:

F.D. Thompson
R.A.B. Woodhouse

The following directors have been appointed on 1 March 2016:

S Gilliland
R Montague-Ebbs

Principal activities and review of the business

The principal activity of the company is that of producing and selling beer and cider under the "Curious" brand. The key performance indicators of the business are shown in the Strategic Report.

Financial risk management

The management of the company's financial resources is key to ensuring sufficient funds are available to meet financial commitments as and when they fall due.

Credit risk

The company's credit risk is primarily attributable to its trade debtors managed through English Wines PLC. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual terms.

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors believe that the company has sufficient resources to continue in operational existence for the foreseeable future. The directors believe this to be the case as the company has positive reserves, and the ongoing support of the parent company. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

CURIOUS DRINKS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Crowe Clark Whitehill LLP be reappointed as auditor of the company will be put to the Annual General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and 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 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;
- 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.

Provision of information to auditor

Each of the persons who are directors at the time when the 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

by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

On behalf of the board



R.A.B. Woodhouse

21 April 2017

CURIOUS DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CURIOUS DRINKS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Curious Drinks Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes numbered 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 Statement of Directors' Responsibilities, 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 FRC's Ethical Standards for Auditors.

Scope of the Audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 31 December 2016 and of its results 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 based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and Strategic report have been prepared in accordance with applicable legal requirements.

CURIOUS DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CURIOUS DRINKS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2016

Matters on which we are required to report by exception

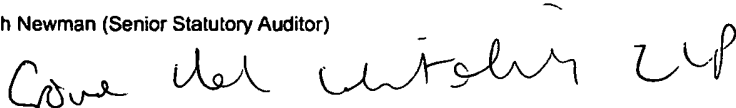
In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

opinion:

visited by us; or

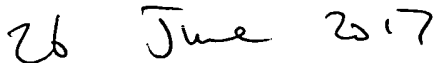
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Keith Newman (Senior Statutory Auditor)



Crowe Clark Whitehill LLP
Statutory Auditor

10 Palace Avenue
Maidstone
Kent
ME15 6NF



CURIOUS DRINKS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	2	3,442,295	2,614,254
Cost of sales		<u>(2,343,449)</u>	<u>(1,825,432)</u>
Gross profit		1,098,846	788,822
Administrative expenses		<u>(1,185,587)</u>	<u>(756,733)</u>
Operating profit	3	(86,741)	32,089
Interest payable and similar charges	4	<u>(17,005)</u>	<u>(9,749)</u>
Profit on ordinary activities before taxation		(103,746)	22,340
Tax on loss/(profit) on ordinary activities	5	<u>19,535</u>	<u>(21,199)</u>
Loss/(Profit) on ordinary activities after taxation		<u>(84,211)</u>	<u>1,141</u>
Other comprehensive income		-	-
Total comprehensive income for the financial year		<u>(84,211)</u>	<u>1,141</u>
Adjusted performance measure			
Operating loss/(profit)		(86,741)	32,089
Depreciation		97,626	86,828
Adjusted EBITDA		<u>10,885</u>	<u>118,917</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

All gains and losses are included in the profit and loss account.

CURIOUS DRINKS LIMITED
COMPANY REGISTRATION NO. 04456158 (ENGLAND AND WALES)

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	6	369,501	245,149
Current assets			
Stocks	7	677,306	568,063
Debtors	8	10,877	37,236
Cash at bank	9	<u>1,691,186</u>	<u>250</u>
		2,379,369	605,549
Creditors: amounts falling due within one year	10	<u>(90,577)</u>	<u>(98,515)</u>
Net current assets		<u>2,288,792</u>	<u>507,034</u>
Total assets less current liabilities		2,658,293	752,183
Creditors: amounts falling due after more than one year	11	(1,127,407)	(555,855)
Provisions for liabilities			
Deferred tax	13	<u>-</u>	<u>(18,342)</u>
		<u>1,530,886</u>	<u>177,986</u>
Capital and reserves			
Called up share capital	14	173,570	100,000
Share premium account		1,341,575	-
Capital redemption reserve		21,966	-
Profit and loss account		<u>(6,225)</u>	<u>77,986</u>
Shareholders' funds - equity interests		<u>1,530,886</u>	<u>177,986</u>

The financial statements were approved by the Board on 21 April 2017


R.A.B. Woodhouse
Director

CURIOUS DRINKS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Capital redemption reserve	Share premium account	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2015	100,000	-	-	76,845	176,845
Profit for the year	-	-	-	1,141	1,141
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	100,000	-	-	77,986	177,986
At 31 December 2015	100,000	-	-	77,986	177,986
Loss for the year	-	-	-	(84,211)	(84,211)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	100,000	-	-	(6,225)	93,775
Issue of shares	95,536	-	1,341,575	-	1,437,111
Cancellation of shares	(21,966)	21,966	-	-	-
At 31 December 2016	173,570	21,966	1,341,575	(6,225)	1,530,886

CURIOUS DRINKS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Cash flows from operating activities		
Loss/(profit) for the financial year	(84,211)	1,141
Adjustments for:		
Depreciation of tangible assets	97,626	86,828
Interest payable	17,005	9,749
Taxation charge	(19,535)	21,199
Increase in stocks	(109,243)	(250,941)
Decrease/(increase) in trade and other debtors	27,552	(27,941)
Decrease in trade creditors and other creditors	(7,938)	(58,625)
	<u>(78,744)</u>	<u>(218,590)</u>
Income taxes paid	-	-
Net Cash (outflow) /inflow from operating activities	<u>(78,744)</u>	<u>(218,590)</u>
Cash flows from investing activities		
Payments to acquire tangible assets	(221,978)	(99,164)
	<u>(221,978)</u>	<u>(99,164)</u>
Net cash outflow from investing activities	<u>(221,978)</u>	<u>(99,164)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	1,735,700	-
Costs of share issue	(307,340)	-
Increase in long term loans	580,303	327,753
Interest paid	(17,005)	(9,749)
	<u>1,991,658</u>	<u>318,004</u>
Net cash inflow from financing activities	<u>1,991,658</u>	<u>318,004</u>
Net increase in cash and cash equivalents	<u>1,690,936</u>	<u>250</u>
Cash and cash equivalents at the beginning of the year	250	-
Cash and cash equivalents at the end of the year	<u><u>1,691,186</u></u>	<u><u>250</u></u>

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 Company information

The principal activity of the company is the sale of alcoholic beverages.

The company is a private limited company, which is incorporated and registered in England and Wales (04456158).

The address of the registered office is Chapel Down Winery, Small Hythe Road, Tenterden, Kent, TN30 7NG.

1.2 Accounting convention

The financial statements have been prepared on the historical cost basis.

1.3 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, and with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 1.14).

The financial statements are presented in Sterling (£).

1.4 Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors believe that the company has sufficient resources to continue in operational existence for the foreseeable future. The directors believe this to be the case as the company has positive shareholder funds and the ongoing support of the parent company. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.5 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue for trade sales is recognised at the point of despatch and retail sales at the point of customer purchase.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment	20% straight line
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1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies continued

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.13 Foreign currency translation

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

1.14 Critical accounting estimates and judgements

The company makes judgements, estimates and assumptions that affect the application of policies and the carrying values of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the related actual results but are based on the experience of the directors and the expectation of future events. The estimates are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The key judgements and sources of estimation uncertainty include useful economic lives of tangible fixed assets. For reference to how these figures are derived please see note 1.6.

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

2 Turnover

The total turnover for the company for the year has been derived from its principal activity, the sale of alcoholic beverages.

	2016 £	2015 £
Geographical segment		
UK	3,439,913	2,609,574
Other EU	473	-
Non EU	1,909	4,680
	<u>3,442,295</u>	<u>2,614,254</u>

3 Operating profit

	2016 £	2015 £
Operating profit/loss is stated after charging:		
Depreciation of tangible assets	97,626	86,828
Fees payable to the company's auditor for the audit of the company's annual accounts	4,944	4,704
Fees payable to the company's auditor for taxation services	1,140	1,080
Fees payable to the company's auditor for other services	240	228
	<u>103,950</u>	<u>92,840</u>

4 Interest payable

	2016 £	2015 £
Interest payable to Chapel Down Group Plc	17,005	9,749
	<u>17,005</u>	<u>9,749</u>

5 Taxation

	2016 £	2015 £
Analysis of tax charge in the year		
Current tax	-	-
UK corporation tax charge on profit for year	-	-
Deferred tax		
Origination and reversal of timing differences	(19,712)	4,468
Adjustments in respect of prior periods	177	17,696
Effect of change in deferred tax rate	-	(965)
Total deferred tax	<u>(19,535)</u>	<u>21,199</u>
Tax on profit on ordinary activities	<u>(19,535)</u>	<u>21,199</u>
Profit per accounts	<u>22,340</u>	<u>22,340</u>
FRS 102 Reconciliation of tax charge		
Profit on ordinary activities before tax	(103,746)	22,340
Tax on profit on ordinary activities at standard CT rate of 20% (2015: 20%)	(20,749)	4,468
Effects of:		
Adjustments to tax charge in respect of previous periods	177	17,696
Adjust closing deferred tax to average rate of 20.00% (2015: 20%)	<u>1,037</u>	<u>(965)</u>
Tax charge/(credit) for the period	<u>(19,535)</u>	<u>21,199</u>

Curious Drinks Limited has £123,554 (2015: £62,067) of trade losses to carry forward to set against future profits of the same trade.

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Tangible fixed assets

	Plant and equipment	Total
	£	£
Cost		
At 1 January 2016	494,610	494,610
Additions	<u>221,978</u>	<u>221,978</u>
At 31 December 2016	<u>716,588</u>	<u>716,588</u>
Depreciation		
At 1 January 2016	249,461	249,461
Charge for the year	<u>97,626</u>	<u>97,626</u>
At 31 December 2016	<u>347,087</u>	<u>347,087</u>
Net book value		
At 31 December 2016	<u>369,501</u>	<u>369,501</u>
At 31 December 2015	<u>245,149</u>	<u>245,149</u>

7	Stocks and work in progress	2016 £	2015 £
	Raw materials	39,036	118,377
	Finished goods and goods for resale	<u>638,270</u>	<u>449,686</u>
		<u>677,306</u>	<u>568,063</u>

Stock recognised in cost of sales during the year as an expense was £2,343,449 (2015: £1,825,432).

8	Debtors : amounts falling due within one year	2016 £	2015 £
	Other debtors	50	32,236
	Prepayments and accrued income	9,634	5,000
	Deferred tax asset	<u>1,193</u>	<u>-</u>
		<u>10,877</u>	<u>37,236</u>

9	Cash and cash equivalents	2016 £	2015 £
	Cash at bank and in hand	<u>1,691,186</u>	<u>250</u>

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Creditors : amounts falling due within one year	2016	2015
	£	£
Taxes and social security costs	7,078	-
Other creditors	77,175	92,503
Accruals and deferred income	6,324	6,012
	<u>90,577</u>	<u>98,515</u>

11 Creditors : amounts falling due after more than one year	2016	2015
	£	£
Amounts owed to Chapel Down Group Plc	177,973	555,855
Amounts owed to English Wines Plc	949,434	-
	<u>1,127,407</u>	<u>555,855</u>

The interest rate charged on the intercompany loan from Chapel Down Group Plc is 2.5%. No interest is charged on the intercompany loan from English Wines Plc.

There is no fixed repayment term for the intercompany loans.

12 Financial instruments	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,691,236</u>	<u>32,486</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,210,906</u>	<u>654,370</u>

Financial assets measured at amortised cost comprise cash at bank, and other debtors.

Financial liabilities measured at amortised cost comprise other creditors, accruals, and amounts owed to group undertakings.

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13	Deferred taxation	2016	2015
		£	£
	follows:		
	At 1 January 2016	18,342	(2,857)
	(Released)/charged during year	<u>(19,535)</u>	<u>21,199</u>
	At 31 December 2016	<u>(1,193)</u>	<u>18,342</u>
	The deferred tax (asset)/liability is made up as follows:		
	Accelerated capital allowances	22,282	30,312
	Losses	<u>(23,475)</u>	<u>(11,970)</u>
		<u>(1,193)</u>	<u>18,342</u>

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised.

14	Share capital	2016	2015
		£	£
	Allotted, called up and fully paid		
	100,000 Ordinary shares of £1 each	-	100,000
	1,728,560 A shares of £0.10 each	172,856	-
	7,139,290 B shares of £0.0001 each	<u>714</u>	<u>-</u>
		<u>173,570</u>	<u>100,000</u>

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14 Share capital (continued)

During the year company cancelled 21,966 Ordinary shares. The remaining 78,034 shares were re-designated as 860,710 A shares of £0.10 each and 7,139,290 B shares of £0.0001 each.

During the year the company issued 867,850 A shares of £0.10 each at a premium of £2 per share. Share issue costs of £307,340 have been debited against the value of share premium.

The holders of A shares have the right to receive notice of, attend and vote at any general meeting, each having one vote per share. They are entitled to receive a copy of and vote on a written resolution, participate in the profits of the company available for distribution and receive a dividend and participate in any return of assets of the company, after payment of its liabilities on liquidation, capital reduction or otherwise. The holders of A shares also have the right to participate in the aggregate proceeds of an exit and rank pari passu for such purpose.

B shares carry no voting rights, and the holders of B shares are not entitled to participate in the profits of the company or receive a dividend. The holders of B shares have the right to participate in the aggregate proceeds of an exit and rank pari passu for such purpose.

15 Control

There is no ultimate controlling party.

16 Transactions

During the year English Wines Plc, a company that has common directorships and shareholders, transferred income of £3,547,967 and recharged costs of £3,688,164 to the company. English Wines Plc also charged the company a management charge of £177,973, all of which was outstanding at 31 December 2016.

During the year Chapel Down Group Plc, a company that holds 49.79% of the voting rights of Curious Drinks Limited, charged interest to the company of £17,005. At 31 December 2016 £949,434 was owed to Chapel Down Group Plc.