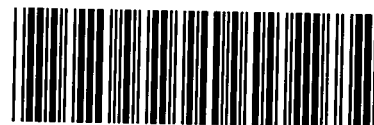

Company Registration No. 04456158 (England and Wales)

CURIOUS DRINKS LTD
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2013

WEDNESDAY



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CURIOUS DRINKS LIMITED

COMPANY INFORMATION

Directors	F.D. Thompson R.A.B. Woodhouse
Secretary	R.A.B. Woodhouse
Company number	04456158
Registered office	Chapel Down Winery, Small Hythe Road Tenterden Kent TN30 7NG
Registered auditors	Crowe Clark Whitehill LLP Chartered Accountants & Statutory Auditors 4 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE
Bankers	Barclays Bank Plc Kent Team 2nd Floor, 30 Tower View Kings Hill West Malling Kent ME19 4UY
Solicitors	Vertex Law 23 Kings Hill Avenue Kings Hill West Malling Kent ME19 4UA

CURIOUS DRINKS LIMITED

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CURIOUS DRINKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013. In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Principal activities and review of the business

The principal activity of the company is that of producing and selling beer under the "Curious" brand. The key performance indicator for the company is turnover.

Overall turnover was £1,219,990 (2012: £557,384).

The overall gross profit was £365,575 (2012: £176,883).

Administration and marketing expenses were £313,099 (2012: £185,206). This is due to costs associated with building the brand and its distribution channels.

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 have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. 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 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2013:

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

CURIOUS DRINKS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Crowe Clark Whitehill LLP be reappointed as auditors 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 auditors

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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

On behalf of the board



R.A.B. Woodhouse

23 April 2014

CURIOUS DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CURIOUS DRINKS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Curious Drinks Limited for the period ended 31 December 2013, set out on pages 4 to 12. 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 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 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 Directors' Report 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 audit.

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 2013 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 the information given in the Directors' report for the financial period 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, 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.



Mark Anderson (Senior Statutory Auditor)

For and on behalf of

Crowe Clark Whitehill LLP
Statutory Auditor

4 Mount Ephraim Road
Tunbridge Wells
Kent
TN11 1EE

23 April 2014

CURIOUS DRINKS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	1,219,990	557,384
Cost of sales		<u>(854,415)</u>	<u>(380,501)</u>
Gross profit		365,575	176,883
Administrative expenses		<u>(313,099)</u>	<u>(185,206)</u>
		<u>(313,099)</u>	<u>(185,206)</u>
Operating profit/(loss)	3	52,476	(8,323)
Interest payable and similar charges	4	<u>(5,289)</u>	<u>(3,814)</u>
Profit/(loss) on ordinary activities before taxation		47,187	(12,137)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation	13	<u>47,187</u>	<u>(12,137)</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 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	6		202,634		152,064
Current assets					
Stocks	7	157,085		170,731	
Debtors	8	<u>3,551</u>		<u>3,000</u>	
		160,636		173,731	
Creditors: amounts falling due within one year	9	<u>(54,627)</u>		<u>(36,024)</u>	
Net current assets			<u>106,009</u>		<u>137,707</u>
Total assets less current liabilities			308,643		289,771
Creditors: amounts falling due after more than one year	10		<u>(220,405)</u>		<u>(248,720)</u>
			<u>88,238</u>		<u>41,051</u>
Capital and reserves					
Called up share capital	12		100,000		100,000
Profit and loss account	13		<u>(11,762)</u>		<u>(58,949)</u>
Shareholders' funds - equity interests	14		<u>88,238</u>		<u>41,051</u>

The financial statements were approved by the Board on 23 April 2014


R.A.B. Woodhouse
Director

CURIOUS DRINKS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Cash Flow Notes	2013 £	2012 £
Net cash inflow/(outflow) from operating activities	1	130,861	(85,292)
Returns on investments and servicing of finance			
Interest paid	<u>(5,289)</u>	<u>(3,814)</u>	
Net cash outflow for returns on investments and servicing of finance		(5,289)	(3,814)
Capital expenditure			
Payments to acquire tangible assets	<u>(97,257)</u>	<u>(74,481)</u>	
Net cash outflow for capital expenditure		(97,257)	(74,481)
Net cash inflow/(outflow) before management of liquid resources and financing		28,315	(163,587)
Financing			
Issue of ordinary share capital	<u>-</u>	<u>-</u>	<u>-</u>
Increase in other long term loans	<u>(28,315)</u>	<u>163,587</u>	
Net cash (outflow)/inflow from financing	2	(28,315)	163,587
Increase/(decrease) in cash in year	2	-	-

CURIOUS DRINKS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

1	Reconciliation of operating loss to net cash outflow from operating activities			2013	2012
				£	£
	Operating profit			52,476	(8,323)
	Depreciation of tangible assets			46,687	33,971
	Decrease/(increase) in stocks			13,646	(139,964)
	Increase in debtors			(551)	(3,000)
	Increase in creditors within one year			18,603	32,024
	Net cash outflow from operating activities			130,861	(85,292)
2	Analysis of net debt	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
		£	£	£	£
	Debt:				
	Debts falling due after one year	(248,720)	28,315	-	(220,405)
	Net debt	(248,720)	28,315	-	(220,405)
3	Reconciliation of net cash flow to movement in net debt			2013	2012
				£	£
	Cash outflow from (increase) in debt and lease financing			28,315	(163,587)
	Movement in net debt in the year			28,315	(163,587)
	Opening net debt			(248,720)	(85,133)
	Closing net debt			(220,405)	(248,720)

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 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.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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 machinery	20% straight line
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1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 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.

Deferred tax assets and liabilities are not discounted.

1.7 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 have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. 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.

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

2	Turnover	Turnover	
		2013	2012
		£	£
	Geographical segment		
	UK	1,213,076	557,384
	Other EU	6,914	-
	Non EU	-	-
		<u>1,219,990</u>	<u>557,384</u>
3	Operating profit (2012: loss)	2013	2012
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	46,687	33,971
	Fees payable to the company's auditor for the audit of the company's annual accounts	3,800	3,665
	Fees payable to the company's auditor for taxation services	1,000	336
	Fees payable to the company's auditor for other services	<u>(265)</u>	<u>515</u>
4	Interest payable	2013	2012
		£	£
	Other interest	5,289	3,814
		<u>5,289</u>	<u>3,814</u>
5	Taxation	2013	2012
		£	£
	Analysis of tax charge in the year		
	Current tax		
	UK corporation tax charge on profit for year	<u>-</u>	<u>-</u>
	Deferred tax		
	Origination and reversal of timing differences	-	-
	Effect of change in deferred tax rate	-	-
	Total deferred tax	<u>-</u>	<u>-</u>
	Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK 23% (2012: 24.5%).		
	The differences are explained below:		
	Profit per accounts	<u>47,187</u>	<u>(12,137)</u>
	Tax on profit on ordinary activities at standard CT rate of 23% (2012: 24.5%)	10,853	(2,973)
	Effects of :		
	Capital allowances in excess of depreciation	(2,119)	(313)
	(Utilisation of tax losses)/unused losses	<u>(8,734)</u>	<u>3,286</u>
	Current tax charge for the year	<u>-</u>	<u>-</u>
	Estimated tax losses carried forward are £17,765 (2012: £55,738) which can be set against future profits arising from the same trade.		

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

6 Tangible fixed assets

	Plant and Equipment	Total
	£	£
Cost		
At 1 January 2013	201,999	201,999
Additions	<u>97,257</u>	<u>97,257</u>
At 31 December 2013	<u>299,256</u>	<u>299,256</u>
Depreciation		
At 1 January 2013	49,935	49,935
Charge for the year	<u>46,687</u>	<u>46,687</u>
At 31 December 2013	<u>96,622</u>	<u>96,622</u>
Net book value		
At 31 December 2013	<u>202,634</u>	<u>202,634</u>
At 31 December 2012	<u>152,064</u>	<u>152,064</u>

7 Stocks and work in progress

	2013 £	2012 £
Finished goods and goods for resale	<u>157,085</u>	<u>170,731</u>
	<u>157,085</u>	<u>170,731</u>

8 Debtors

	2013 £	2012 £
Other debtors	3,551	3,000
	<u>3,551</u>	<u>3,000</u>

9 Creditors : amounts falling due within one year

	2013 £	2012 £
Other creditors	50,319	31,658
Accruals and deferred income	<u>4,308</u>	<u>4,366</u>
	<u>54,627</u>	<u>36,024</u>

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

10	Creditors : amounts falling due after more than one year	2013	2012
		£	£
	Amounts owed to parent company	220,405	248,720
	Accruals and deferred income	-	-
		<u>220,405</u>	<u>248,720</u>
	Analysis of loans		
	Not wholly repayable within five years other than by instalments:		
	Amounts owed to parent company	<u>220,405</u>	<u>248,720</u>
	Loan maturity analysis		
	In more than five years	<u>220,405</u>	<u>248,720</u>
11	Deferred taxation	2013	2012
	Accelerated capital allowances	1,201	-
	Losses	(1,201)	-
		<u>-</u>	<u>-</u>
12	Share capital	2013	2012
		£	£
	Allotted, called up and fully paid		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
13	Statement of movements on reserves		Profit and loss account
			£
	Balance at 1 January 2013		(58,949)
	Retained profit for the period		47,187
	Balance at 31 December 2013		<u>(11,762)</u>
14	Reconciliation of movements in shareholders' funds	2013	2012
		£	£
	Profit/(loss) for the financial year	47,187	(12,137)
	Issue of shares	-	-
	Net addition to/(depletion in) shareholders' funds	<u>47,187</u>	<u>(12,137)</u>
	Opening shareholders' funds	<u>41,051</u>	<u>53,188</u>
	Closing shareholders' funds	<u>88,238</u>	<u>41,051</u>

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

15 Control

The parent company, Chapel Down Group Plc holds 100% of the share capital of the company and is incorporated in England & Wales. The accounts of Chapel Down Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

16 Related Party Transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with Chapel Down Group Plc on the grounds that consolidated financial statements are prepared by the parent company.