

Company Registration No. 04456158 (England and Wales)

CURIOUS DRINKS LTD
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

TUESDAY



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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 auditor	Crowe Clark Whitehill LLP Chartered Accountants & Statutory Auditor 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	Cripps LLP Wallside House 12 Mount Ephraim Road Tunbridge Wells Kent TN1 1EG

CURIOUS DRINKS LIMITED

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CURIOUS DRINKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014. 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 £1,745,201 (2013: £1,219,990).

The overall gross profit was £562,574 (2013: £365,575).

Administration and marketing expenses were £472,620 (2013: £313,099). 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 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 2014:

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

CURIOUS DRINKS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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

On behalf of the board



R.A.B. Woodhouse

23 April 2015

CURIOUS DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CURIOUS DRINKS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of Curious Drinks Limited for the period ended 31 December 2014, 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 2014 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
TN1 1EE

23 April 2015

CURIOUS DRINKS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	1,745,201	1,219,990
Cost of sales		<u>(1,182,627)</u>	<u>(854,415)</u>
Gross profit		562,574	365,575
Administrative expenses		<u>(472,620)</u>	<u>(313,099)</u>
Operating profit	3	89,954	52,476
Interest payable and similar charges	4	<u>(4,204)</u>	<u>(5,289)</u>
Profit on ordinary activities before taxation		85,750	47,187
Tax on profit on ordinary activities	5	<u>2,857</u>	<u>-</u>
Profit on ordinary activities after taxation	13	<u><u>88,607</u></u>	<u><u>47,187</u></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 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	6		232,813		202,634
Current assets					
Stocks	7	317,122		157,085	
Debtors	8	<u>12,152</u>		<u>3,551</u>	
		329,274		160,636	
Creditors: amounts falling due within one year	9	<u>(157,140)</u>		<u>(54,627)</u>	
Net current assets			<u>172,134</u>		<u>106,009</u>
Total assets less current liabilities			404,947		308,643
Creditors: amounts falling due after more than one year	10		<u>(228,102)</u>		<u>(220,405)</u>
			<u>176,845</u>		<u>88,238</u>
Capital and reserves					
Called up share capital	12		100,000		100,000
Profit and loss account	13		<u>76,845</u>		<u>(11,762)</u>
Shareholders' funds - equity interests	14		<u>176,845</u>		<u>88,238</u>

The financial statements were approved by the Board on 23 April 2015


R.A.B. Woodhouse
Director

CURIOUS DRINKS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Cash Flow Notes	2014 £	2013 £
Net cash inflow from operating activities	1	92,697	130,861
Returns on investments and servicing of finance			
Interest paid		<u>(4,204)</u>	<u>(5,289)</u>
Net cash outflow for returns on investments and servicing of finance		(4,204)	(5,289)
Capital expenditure			
Payments to acquire tangible assets		<u>(96,190)</u>	<u>(97,257)</u>
Net cash outflow for capital expenditure		<u>(96,190)</u>	<u>(97,257)</u>
Net cash (outflow)/inflow before management of liquid resources and financing		(7,697)	28,315
Financing			
Increase/(decrease) in other long term loans		<u>7,697</u>	<u>(28,315)</u>
Net cash inflow/(outflow) from financing	2	<u>7,697</u>	<u>(28,315)</u>
Increase/(decrease) in cash in year	2	<u><u>-</u></u>	<u><u>-</u></u>

CURIOUS DRINKS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

1	Reconciliation of operating profit to net cash inflow from operating activities			2014	2013
				£	£
	Operating profit			89,954	52,476
	Depreciation of tangible assets			66,011	46,687
	(Increase)/decrease in stocks			(160,037)	13,646
	Increase in debtors			(5,744)	(551)
	Increase in creditors within one year			102,513	18,603
	Net cash inflow from operating activities			92,697	130,861

2	Analysis of net debt	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
	Debt:				
	Debts falling due after one year	(220,405)	(7,697)	-	(228,102)
	Net debt	(220,405)	(7,697)	-	(228,102)

3	Reconciliation of net cash flow to movement in net debt		2014	2013
			£	£
	Cash (inflow)/outflow from debt and lease financing		(7,697)	28,315
	Movement in net debt in the year		(7,697)	28,315
	Opening net debt		(220,405)	(248,720)
	Closing net debt		(228,102)	(220,405)

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 and work in progress

Stock and work in progress are 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 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 2014

2	Turnover	Turnover	
		2014 £	2013 £
	Geographical segment		
	UK	1,733,474	1,215,076
	Other EU	495	6,914
	Non EU	11,232	-
		<u>1,745,201</u>	<u>1,221,990</u>
3	Operating profit	2014 £	2013 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	66,011	46,687
	Fees payable to the company's auditor for the audit of the company's annual accounts	4,612	3,800
	Fees payable to the company's auditor for taxation services	1,260	1,000
	Fees payable to the company's auditor for other services	<u>220</u>	<u>(265)</u>
4	Interest payable	2014 £	2013 £
	Other interest	4,204	5,289
		<u>4,204</u>	<u>5,289</u>
5	Taxation	2014 £	2013 £
	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	(505)	-
	Adjustments in respect of prior periods	<u>(2,352)</u>	<u>-</u>
	Total deferred tax	<u>(2,857)</u>	<u>-</u>
	Tax on profit on ordinary activities	<u>(2,857)</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 21.49% (2013: 23%).		
	The differences are explained below:		
	Profit per accounts	<u>85,750</u>	<u>47,187</u>
	Tax on profit on ordinary activities at standard CT rate of 21.49% (2013: 23%)	18,428	10,853
	Effects of :		
	Capital allowances in excess of depreciation	2,115	(2,119)
	(Utilisation of tax losses)/unused losses	(1,573)	(8,734)
	Group relief (received)/surrendered for nil payment	<u>(18,970)</u>	<u>-</u>
	Current tax charge for the year	<u>-</u>	<u>-</u>

Estimated tax losses carried forward are £Nil (2013: £17,765) 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 2014

6 Tangible fixed assets

	Plant and Equipment	Total
	£	£
Cost		
At 1 January 2014	299,256	299,256
Additions	96,190	96,190
At 31 December 2014	395,446	395,446
Depreciation		
At 1 January 2014	96,622	96,622
Charge for the year	66,011	66,011
At 31 December 2014	162,633	162,633
Net book value		
At 31 December 2014	232,813	232,813
At 31 December 2013	202,634	202,634

7 Stocks and work in progress

	2014 £	2013 £
Raw Materials	44,303	-
Finished goods and goods for resale	272,819	157,085
	317,122	157,085

8 Debtors

	2014 £	2013 £
Other debtors	9,295	3,551
Deferred Tax	2,857	-
	12,152	3,551

9 Creditors : amounts falling due within one year

	2014 £	2013 £
Other creditors	151,540	50,319
Accruals and deferred income	5,600	4,308
	157,140	54,627

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10	Creditors : amounts falling due after more than one year	2014	2013
		£	£
	Amounts owed to parent company	228,102	220,405
		<u>228,102</u>	<u>220,405</u>
	Analysis of loans		
	Not wholly repayable within five years other than by instalments:		
	Amounts owed to parent company	<u>228,102</u>	<u>220,405</u>
	Loan maturity analysis		
	In more than five years	<u>228,102</u>	<u>220,405</u>
11	Deferred taxation	2014	2013
	The movement in deferred tax are as follows:		
	At 1 January 2014	-	-
	(Released)/charged during year	<u>(2,857)</u>	<u>-</u>
	At 31 December 2014	<u>(2,857)</u>	<u>-</u>
	The deferred tax (asset)/liability is made up as follows:		
	Accelerated capital allowances	(2,857)	1,201
	Losses	<u>-</u>	<u>(1,201)</u>
		<u>(2,857)</u>	<u>-</u>
12	Share capital	2014	2013
		£	£
	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 2014		(11,762)
	Retained profit for the period		<u>88,607</u>
	Balance at 31 December 2014		<u>76,845</u>
14	Reconciliation of movements in shareholders' funds	2014	2013
		£	£
	Profit for the financial year	<u>88,607</u>	<u>47,187</u>
	Net addition to shareholders' funds	<u>88,607</u>	<u>47,187</u>
	Opening shareholders' funds	<u>88,238</u>	<u>41,051</u>
	Closing shareholders' funds	<u>176,845</u>	<u>88,238</u>

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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 100% of the voting rights in the company are controlled within the group and consolidated financial statements are prepared by the parent company.