

## **Fevertree Limited**

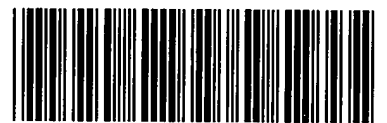
Report and Financial Statements

Year Ended

31 December 2015

Company Number 05291668

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# **Fevertree Limited**

## **Strategic report for the year ended 31 December 2015**

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The directors present their strategic report together with the audited financial statements for the year ended 31 December 2015.

### **Principal activity**

The principal activity of the company in the year under review continued to be that of developer of premium mixer drinks, growing sales into the UK, European, North American and wider international markets.

### **Review of business**

The directors manage the business on the key indicators of turnover, gross margin and EBITDA. Fevertree Limited's 2015 turnover of £59,253k (2014: £34,691k), representing further growth of 71% on 2014 following 49% growth in 2014. 2015 gross margin of 52.1% and 2015 EBITDA of £18,210k (2014: £10,093k) are all ahead of expectations and represent a successful year for the business. The company continued to strengthen its position within the UK mixer drink market. It also continued to cultivate its presence within overseas mixer drink markets, presently being sold in 55 countries.

The directors expect the company to continue to operate in its existing and related markets and to develop its product lines.

### **Principal risks and financial uncertainties**

#### *Financial risk management*

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, price risk and liquidity risk.

#### *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. At 31 December 2015 the company has net trade receivables of £14,369k (2014: £6,866k).

The company is exposed to credit risk in respect of these balances such that, if one or more customers encounter financial difficulties, this could materially and adversely affect the Group's financial results. In order to minimise this risk the company endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

Supply of products by members of the company results in trade receivables which the management consider to be of low risk, other receivables are likewise considered to be low risk. The management do not consider that there is any concentration of risk within either trade or other receivables.

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 December 2015 and consequently no material provisions have been recognised for bad and doubtful debts.

Credit risk on cash and cash equivalents is considered to be small as the counterparties are all substantial banks with high credit ratings.

# **Fevertree Limited**

## **Strategic report for the year ended 31 December 2015 (continued)**

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### *Pricing risk*

Pricing risk is the risk that oscillation in the price of key input costs will affect the profitability of the business. The company manages this risk by agreeing long-term prices with suppliers where possible.

### *Liquidity risk*

Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company actively manages its cash generation and maintains sufficient cash holdings to cover its immediate obligations.

The company actively manages its cash and currently holds substantial cash balances in Sterling, US Dollars and Euros. The company also has access to additional equity funding and, for short term flexibility, an unused revolving credit facility is arranged with the company's bankers. Trade and other payables are monitored as part of normal management routine.

### *Market risk*

Market risk arises from the company's tradable and foreign currency financial instruments. It is the risk that the fair value, or future cash flows, of a financial instrument will fluctuate because of changes in the foreign exchange rates (foreign exchange risk).

### *Foreign exchange risk*

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business. The company is exposed to transaction foreign exchange risk as it operates within the USA and Europe where transactions are predominantly denominated in US Dollars and Euros respectively.

The majority of the company's financial assets are held in Sterling but movements in the exchange rate of the Euro and the US Dollar against Sterling have an impact on both the result for the year and equity.

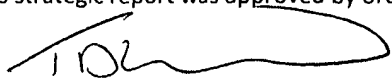
Forward contracts are used to manage foreign exchange risk. Those receivables in currencies other than Sterling may be the subject of informal hedging arrangements using forward contracts where the counterparty is the company's banker or an independent broker. The receivable is carried in the consolidated statement of financial position at the rate of exchange at the period end. The derivative instruments are carried at fair value with that value being the contract value at the reporting date.

### **Going concern**

The directors consider that the company has sufficient financial resources in place at the balance sheet date such that it is reasonable to continue to adopt the going concern basis in preparing the financial statements for the year.

### **Approval**

This strategic report was approved by order of the Board on 29/09/2016



T D G Warrillow

**Director**

# **Fevertree Limited**

## **Report of the directors for the year ended 31 December 2015**

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### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **On behalf of the Board**

T D G Warrillow

A handwritten signature in black ink, appearing to be 'TDG Warrillow', written over a horizontal line.

**Director**

Date 29/09/16.

# **Fevertree Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF FEVERTREE LIMITED**

We have audited the financial statements of Fevertree Limited for the year ended 31 December 2015 which comprise the income statement, the statement of financial position, statement of changes in equity and the related notes. 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) including FRS101 'Reduced Disclosure Framework'.

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 auditors**

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 Financial Reporting Council's (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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Fevertree Limited**

### **Independent auditor's report (*continued*)**

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#### **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

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*Sophia Michael (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*London*  
*United Kingdom*

Date *29 September 2016*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Fevertree Limited

## Income statement

for the year ended 31 December 2015

		2015	2014
	Note	£	£
<b>Turnover</b>	3	59,252,617	34,691,034
<b>Cost of sales</b>		(28,377,765)	(17,028,408)
<b>Gross profit</b>		<b>30,874,852</b>	<b>17,662,626</b>
<b>Administrative expenses</b>		(12,788,870)	(7,653,773)
<b>EBITDA</b>		<b>18,209,906</b>	<b>10,093,114</b>
<b>Depreciation</b>		<b>(123,924)</b>	<b>(84,261)</b>
<b>Operating profit</b>	5	<b>18,085,982</b>	<b>10,008,853</b>
<b>Finance income</b>	6	18,470	13,759
<b>Profit on ordinary activities before tax</b>		<b>18,104,452</b>	<b>10,022,612</b>
<b>Tax expense on ordinary activities</b>	7	(3,563,346)	(1,249,716)
<b>Profit and total comprehensive income for the year</b>		<b>14,541,106</b>	<b>8,772,896</b>

None of the company's activities were acquired or discontinued during the current year or previous year.

\*EBITDA is earnings before interest, tax, depreciation and amortisation

The notes on pages 10 to 20 form part of these financial statements

# Fevertree Limited

## Statement of financial position

at 31 December 2015

<i>Company number 05291668</i>		<b>31 December 2015</b>	<b>31 December 2014</b>
	Note	£	£
<b>Fixed Assets</b>			
Tangible fixed assets	8	589,410	351,699
<b>Total non-current assets</b>		<u>589,410</u>	<u>351,699</u>
<b>Current assets</b>			
Inventories	9	6,376,673	4,346,168
Trade and other receivables	10	16,860,900	8,263,632
Derivative financial instruments	11	-	7,916
Cash and cash equivalents		14,034,208	5,986,554
<b>Total current assets</b>		<u>37,271,781</u>	<u>18,604,270</u>
<b>Creditors: amounts falling due within one year</b>	12	(15,798,710)	(4,257,189)
Derivative financial statements	11	(267,297)	-
<b>Net current assets</b>		<u>21,205,774</u>	<u>14,347,081</u>
<b>Total assets less current liabilities</b>		21,795,184	14,698,780
<b>Provisions for liabilities</b>	13	(114,751)	(59,453)
<b>Net Assets</b>		<u>21,680,433</u>	<u>14,639,327</u>
<b>Capital and reserves</b>			
Share capital	14	103,886	103,886
Share premium	15	8,619,302	8,619,302
Retained earnings	15	12,957,245	5,916,139
<b>Total equity</b>		<u>21,680,433</u>	<u>14,639,327</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29/09/16 .



T D G Warrillow  
Director

The notes on pages 10 to 20 form part of these financial statements



# Fevertree Limited

## Statement of changes in equity

For the year ended 31 December 2015

	Share capital £	Share premium £	Retained earnings £	Total £
<b>Equity as at 1 January 2014</b>	<b>103,886</b>	<b>819,302</b>	<b>7,243,243</b>	<b>8,166,431</b>
Issue of shares	-	7,800,000	-	7,800,000
Profit for the year	-	-	8,772,896	8,772,896
Dividends paid			(10,100,000)	(10,100,000)
<b>Equity as at 31 December 2014</b>	<b>103,886</b>	<b>8,619,302</b>	<b>5,916,139</b>	<b>14,639,327</b>
Profit for the year	-	-	14,541,106	14,541,106
Dividends paid	-	-	(7,500,000)	(7,500,000)
<b>Equity as at 31 December 2015</b>	<b>103,886</b>	<b>8,619,302</b>	<b>12,957,245</b>	<b>21,680,433</b>

# Fevertree Limited

## Notes forming part of the financial statements for the year ended 31 December 2015 *(continued)*

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### 1. Accounting policies

#### ***Basis of preparation***

The financial statements of Fevertree Limited have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The Company's financial statements are presented in Sterling.

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with wholly owned fellow group companies

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Fevertree Drinks Plc. These financial statements do not include certain disclosures in respect of:

- Share based payments;
- Business combinations;
- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair Value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value) and;
- The disclosure of non-audit services

#### ***Turnover***

Turnover represents invoiced sales of goods, excluding value added tax and discounts provided. Turnover is recognised as income in the income statement on the date the goods are delivered.

#### ***Expenditure***

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when a present obligation exists for a future liability relating to a past event and where the amount of the obligation can be reliably estimated.

# Fevertree Limited

## Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

### 1. Accounting policies - Continued

#### *Tangible fixed assets*

Items of tangible fixed assets are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs. Subsequently tangible fixed assets are stated at cost less the accumulated depreciation and, where appropriate, provision for impairment in value or estimated loss on disposal.

Depreciation is provided on all items tangible fixed assets so as to write off their carrying value over the expected useful economic lives. It is provided at the following rates:

Fixtures and fittings	33% per annum straight line
Computer equipment	33% per annum straight line
Re-usable crates	20% per annum straight line
Motor vehicles	20% per annum straight line

#### *Financial assets*

The Company classifies its financial assets into the categories, discussed below, based upon the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

#### *Fair value through profit or loss*

This category comprises only in-the-money derivatives (see "Financial liabilities" section for out-of-the-money derivatives). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. Other than derivative financial instruments which are not designated as hedging instruments, the Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

#### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

The Company's loans and receivables comprise trade and other receivables included within the consolidated statement of financial position.

Cash and cash equivalents include cash held at bank.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

# **Fevertree Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2015 (continued)**

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### **1. Accounting policies - Continued**

#### ***Financial liabilities***

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired:

#### ***Fair value through profit or loss***

This category comprises only out-of-the-money derivatives (see "Financial assets" for in the money derivatives). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The Company does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Company does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

#### ***Other financial liabilities***

- Bank loans and shareholder loan notes which are initially recognised at fair value net any of transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. The interest expense includes initial transaction costs and premiums payable on redemption, as well as any interest coupon payable while the liability is outstanding.
- Trade payables, other borrowings and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

#### ***Impairment of non-financial assets***

Non-financial assets (other than goodwill and indefinite life intangible assets) are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset is judged to exceed its recoverable amount (i.e. the higher of value in use or the fair value less costs to sell), the asset is written down accordingly. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash generating unit (i.e. the lowest group of assets, in which the asset belongs, for which there are separately identifiable cash flows).

Impairment charges, and the reversal of previous impairment charges, are expensed/credited to the income statement

#### ***Share Capital***

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

#### ***Leased Assets***

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an 'operating lease'), the total rentals payable under the lease are charged to the income statement on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

# **Fevertree Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2015 (continued)**

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### **1. Accounting policies - Continued**

#### ***Deferred taxation***

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

#### ***Inventories***

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other direct costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

#### ***Foreign currency***

Transactions entered into by Company in a currency other than the currency of the primary economic environment in which it operates ("functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

#### ***Dividend distribution***

Dividend distributions to the company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

# Fevertree Limited

## Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

### 2. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Accounting judgements, estimates and assumptions

##### (a) Tangible fixed assets

Tangible fixed assets are depreciated over the useful lives of the assets. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are reviewed annually for continued appropriateness. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management judgement. Future events could cause the assumptions to change, therefore this could have an adverse effect on the future results of the Company.

##### (b) Income taxes

The Company is subject to income taxation in the UK and US state taxation, where judgement arises in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of judgement about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact on the taxation charge made in the income statement in the period in which such determination is made.

##### (c) Fair Value of financial instruments

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value. The Company determines the fair value of financial instruments that are not quoted using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substituted by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices, in active markets
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Inputs that are not based on observable market data

The Company measures the following items at fair value:

Financial instruments relating to foreign exchange contracts (note 12) – Level 2

Movements on the underlying value of financial instruments of foreign exchange contracts and interest rate swaps have been measured versus market rates and therefore are easily identifiable.

# Fevertree Limited

Notes forming part of the financial statements  
for the year ended 31 December 2015 (*continued*)

## 3. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

	2015	2014
	£	£
Revenue arises from:		
Sale of goods	59,252,617	34,691,034

An analysis of turnover by geographical market is given below:

	2015	2014
	£	£
United Kingdom	20,460,667	11,138,177
United States of America	13,690,012	8,286,535
Europe	22,360,850	13,438,075
Rest of the World	2,741,088	1,828,247
	<u>59,252,617</u>	<u>34,691,034</u>

## 4. Employees

	2015	2014
	£	£
Wages and salaries	1,288,196	875,900
Social security costs	137,139	96,218
	<u>1,425,335</u>	<u>972,118</u>

The average monthly number of employees during the year was as follows:

	2015	2014
	Number	Number
Directors	2	2
Staff	27	21
	<u>29</u>	<u>23</u>

No Directors received any emoluments during the current or prior period. All Directors' remuneration was paid by the parent company Fevertree Drinks Plc.

# Fevertree Limited

Notes forming part of the financial statements  
for the year ended 31 December 2015 *(continued)*

## 5. Operating profit

This has been arrived at after charging:

	2015	2014
	£	£
Foreign exchange realised (gain)/loss	(341,371)	41,611
Foreign exchange unrealised (gain)/loss	163,197	(13,673)
Depreciation of property, plant and equipment	123,924	84,261
Operating lease payments		
- Premises	69,408	48,189
- Equipment and vehicles	17,170	11,764
Auditors' remuneration:		
Fees for audit of the company	28,750	44,750

## 6. Finance income

	2015	2014
	£	£
<b>Finance income</b>		
Bank interest	18,470	9,222
Fair value adjustment on derivative instruments	-	4,537
	<u>18,470</u>	<u>13,759</u>



# Fevertree Limited

## Notes forming part of the financial statements for the year ended 31 December 2015 *(continued)*

### 7. Taxation

	2015	2014
	£	£
<b>Current tax expense</b>		
Current tax on profits for the period	3,517,000	1,362,497
Adjustment in respect of prior period	152,436	(158,597)
Effect of tax in overseas jurisdictions	(161,388)	-
	3,508,048	1,203,900
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	55,298	45,816
	3,563,346	1,249,716

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit for the year are as follows:

	2015	2014
	£	£
Profit for the year	18,104,452	10,022,612
Expected tax charge based on corporation tax rate of 20.25 % in 2015 (21.5% in 2014)	3,666,152	2,154,862
Expenses not deductible for tax purposes	9,596	15,888
Group relief claim	(103,450)	(762,437)
Adjustment in respect of prior period	152,436	(158,597)
US state income tax	(161,388)	-
<b>Total tax expense for the year</b>	3,563,346	1,249,716

# Fevertree Limited

Notes forming part of the financial statements  
for the year ended 31 December 2015 *(continued)*

## 8. Tangible fixed assets

	Re-usable crates £	Motor vehicles £	Fixtures and Fittings £	Computer Equipment £	Totals £
<b>Cost</b>					
At 1 January 2015	300,952	87,416	38,702	51,128	478,198
Additions	361,281	-	354	-	361,635
At 31 December 2015	662,233	87,416	39,056	51,128	839,833
<b>Depreciation</b>					
At 1 January 2015	51,011	23,129	17,718	34,641	126,499
Charge for the year	84,887	17,483	11,333	10,221	123,924
At 31 December 2015	135,898	40,612	29,051	44,862	250,423
<b>Net book value</b>					
At 31 December 2015	526,335	46,804	10,005	6,266	589,410
At 31 December 2014	249,941	64,287	20,984	16,487	351,699

Tangible fixed assets are pledged as security for group financial facilities granted.

## 9. Inventories

	2015 £	2014 £
Raw materials	1,670,776	506,830
Finished goods	4,705,897	3,839,338
	6,376,673	4,346,168

The cost of inventories recognised as an expense and included in the cost of sales amounted to £23,617,804 (31 December 2014: £14,037,079). Inventories are pledged as security for group financial facilities granted.

## 10. Trade and other receivables

	2015 £	2014 £
Trade receivables	14,368,750	6,865,658
Other receivables	1,071,089	728,203
Prepayments	1,233,399	582,689
Recoverable VAT	187,662	87,082
Total trade and other receivables	16,860,900	8,263,632

All amounts shown under debtors fall due for payment within one year.

Trade receivables are stated after provisions for impairment of £565,787 (2014: £196,343).

# Fevertree Limited

## Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

### 11. Derivative financial instruments

	2015	2014
	£	£
Foreign currency exchange contracts	(267,297)	7,916

The fair value of a derivative financial instrument is split between current and non-current depending on the remaining maturity of the derivative contract and its contractual cash flows. All contracts mature in less than 12 months; therefore the instruments are classified as current.

The fair value of foreign exchange derivatives is based on bank valuations.

### 12. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade payables	4,080,019	1,817,825
Amount payable to parent undertaking	5,803,730	37,983
Accruals	3,140,850	1,145,717
Taxation	1,642,096	658,604
Other payables	957,340	548,029
Social security & other taxes	174,675	49,031
Total trade and other payables	15,798,710	4,257,189

### 13. Provisions for liabilities

#### Deferred tax

	2015	2014
	£	£
Opening balance	59,453	13,637
Recognised in income statement	55,298	45,816
Closing balance	114,751	59,453

#### Accelerated capital allowances

	£
At 1 January 2014	13,637
Comprehensive income debit	45,816
At 31 December 2014	59,453
Comprehensive income debit	55,298
At 31 December 2015	114,751

# Fevertree Limited

Notes forming part of the financial statements  
for the year ended 31 December 2015 (*continued*)

## 14. Share capital

	2015 Number	2015 £
<i>Ordinary shares of £0.0001 each</i>		
At 1 January 2015	1,038,858,968	103,886
Issued during the year	1	-
At 31 December 2015	1,038,858,969	103,886

The ordinary shares have rights to vote and to participate in any dividends payable and rights to any payments on an exit event or on a return of capital as detailed in the Articles of Association.

## 15. Reserves

Share premium is the amount subscribed for share capital in excess of nominal value.

Retained earnings are the cumulative net profits in the consolidated statement of comprehensive income. Movements on these reserves are set out in the consolidated statement of changes in equity.

## 17. Dividends

The Company paid dividends of £7,500,000 (2014: £10,100,000) during the year.

## 18. Commitments under operating leases

The Company leases its office premises. The total value of minimum lease payments due until the end of the lease is payable as follows:

	2015 £	2014 £
Not later than one year	105,438	64,285
Later than one year and not later than five years	278,229	13,385
	383,667	77,670

# **Fevertree Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2015 *(continued)***

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**19. Related party transactions**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 101 not to disclose transactions with group entities.

There were no related party transactions which occurred during the year.

**20. Ultimate parent company**

The immediate and ultimate parent undertaking is Fevertree Drinks plc. In the opinion of the directors there is no one ultimate controlling party of the Company. The smallest and largest group in which the results of the company are consolidated is that headed by Fevertree Drinks plc. Copies of the Fevertree Drinks plc consolidated financial statements can be obtained from the Company Secretary at Kildare House, 3 Dorset Rise, London, EC4Y 8EN.