

Fevertree Limited

Report and Financial Statements

Year Ended

31 December 2020

Company Number 05291668



Fevertree Limited

Report and Financial Statements for the year ended 31 December 2020

Contents

Page:

1	Strategic report
8	Directors' report
10	Independent auditor's report
13	Income statement
14	Statement of financial position
15	Statement of changes in equity
16	Notes forming part of the financial statements

Directors

T D G Warrillow
A Branchflower

Registered office

Kildare House, 3 Dorset Rise, London, EC4Y 8EN

Company number

05291668

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Fevertree Limited

Strategic report for the year ended 31 December 2020

The Directors present their strategic report together with the audited financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the Company in the year under review continued to be that of development and distribution of premium mixer drinks.

Head Office is based at 186-188 Shepherds Bush Road, London, W6 7NL.

Review of business

The Directors manage the business on the key indicators of turnover, gross margin, and EBITDA. The function of the Company is the production and sale of product to other entities within the Fever-Tree Group.

Fevertree Limited's turnover of £219,126.5k (2019: £226,727.1k), represented a decrease of 3.4% (2019: growth of 0.4%). The gross margin of 41.1% (2019: 44.9%) remained robust but decreased from 2019. A number of other factors combined to reduce the overall gross margin. This included another year of significant underlying increases in the market price for glass bottles. Alongside this, the deceleration in UK growth through the year, coupled with uncertainty over the timing and nature of the UK's exit from the European Union, resulted in elevated levels of inventory being held for much of the year, with a resultant increase in storage costs relative to revenue. EBITDA of £51,957.3k (2019: £67,891.5k) represented a decline in 2019, due to lockdown restrictions and the decision to remain committed to investing behind our growth. This reflects our outlook and belief in the significant global opportunity ahead for the Group.

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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. At 31 December 2020, the Company has net trade and other receivables of £65,016.8k (2019: £71,383.6k). 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 Company'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. The vast majority of credit sales are to other members of the Fever-Tree Group. These are considered low risk due to no history of default, the distribution agreements governing the relationships between the Company and the other entities of the Fever-Tree Group, and the fact that the same management team are responsible for all the UK subsidiaries in the Group. However, in order to minimise this risk still further, the Company monitors aggregate financial exposure on an ongoing basis.

The Company performs an expected credit loss assessment for all trade receivables to calculate a provision for expected credit loss, based on historical credit loss information, current conditions, and forecasts of future economic conditions.

Fevertree Limited

Strategic report for the year ended 31 December 2020 (continued)

Principal risks and financial uncertainties – Continued

Credit risk (continued)

For the reasons outlined above, the outcome of this assessment has been that the probability of impairment loss on intercompany receivables is considered to be low, hence the provision is nil.

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

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 currently holds substantial cash balances in Sterling, US Dollars and Euros. The Company also has access to additional equity funding. Trade and other payables are monitored as part of normal management routine.

Market risk

Market risk arises from the Company's 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 subject to foreign currency exchange risk in its transactions because its business involves transactions in a variety of currencies due to its wide distribution market and sourcing of raw materials in various jurisdictions. To manage this risk, the Company has a Treasury Policy, which sets out a dynamic 12-month hedging strategy against future euro and US dollar cash flows and a monthly hedge against euro and US dollar balance sheet assets and liabilities.

Commercial and Operational Risks

Competition

The Company exists primarily to manufacture product to sell to its subsidiaries, who will then sell on to external customers. Therefore, competitive factors affecting the sales of subsidiaries will have a direct impact on the Company. The Company and its subsidiaries face competition from other beverage companies in the mixer category, and this could intensify in the Company's core markets through other companies further increasing focus and investment in their existing brands, introducing their own brands, or acquiring local brands. However, the Company has faced significant competition over its lifetime and despite this has successfully built share in all of the regions in which it operates. The Company's first mover advantage, product quality, brand strength and diverse territorial, channel and customer mix all combine to mitigate the risk of increased competition affecting overall Company performance. The Company's entrepreneurial culture and exceptional track record of innovation and category leadership, alongside the strength of its team and increasing levels of investment available to deploy, also continue to strengthen its ability to defend and react to competitor actions.

Fevertree Limited

Strategic report for the year ended 31 December 2020 *(continued)*

Principal risks and financial uncertainties – Continued

Political and Economic Environment

A worsening of economic conditions would lead to reduced consumer confidence and spending which could impact demand for products and limitations on the Company's ability to increase or maintain the prices of its products in its key markets.

The UK's exit from the EU increases the risk of disruption to the supply chain, and, consequently, may impact the availability and price of raw materials and logistics particularly during this transitional phase.

In 2020, the Company's designated Brexit Committee continued to meet regularly to monitor, model and assess preparedness against the different potential scenarios related to the UK's exit from the European Union from January 2021. The Company's outsourced business model, manufacturing across three different sites in the UK and four in Europe, provides a strong degree of operational flexibility which underpins an ability to adapt our business operations to address and mitigate perceived Brexit risks. In addition to this, the Company has built contingency stocks of raw materials, packaging, and finished goods across both its UK and European regions and is well-placed to mitigate the impact of potential supply chain disruption following the UK's exit.

Disruption to Outsourced Production and Logistics

The Company operates an asset-light, outsourced business model, working with third party bottlers, canners, logistics and distribution partners. In addition, the Company is dependent on the supply of a number of key ingredients for its products, such as quinine and fresh green ginger, for which there are a limited number of suppliers.

The Company could be affected if there were to be a significant disruption to any of the Company's key raw material suppliers, production, storage, or distribution operations. In the event of such disruption the Company may not be able to arrange for alternative supply, production, storage, or distribution on as favourable terms, or with sufficient speed to ensure continuity of business.

To mitigate this risk, the Company continues to increase its footprint of outsourced production, with increasing redundancy to absorb any potential disruption to its production sites. In addition, the Group's principal UK bottling partner manufactures the Company's products across four bottling lines located in four distinct buildings across two separate sites. In respect of key ingredients, the Company requests, where appropriate, that its suppliers hold contingency stock, and alongside this the Company maintains elevated levels of stock of these key ingredients to allow sufficient buffer for continued production should there be a period of disruption in supply. In 2020, due to the combined impacts of COVID-19 and uncertainty as to the terms of the UK's withdrawal from the EU, the Company further increased contingency stock levels of these key ingredients. To further mitigate risk, alongside holding appropriate insurance cover, the Company maintains, tests and updates a thorough business continuity plan which monitors and seeks to continually improve the redundancy of supply and reduce lead times in the event of disruption in all aspects of the outsourced business model. This includes an evaluation of key suppliers' own business continuity plans.

Inconsistent quality or contamination of the Company's products

A lack of consistency in the quality of products or contamination of the Company's products, whether occurring accidentally or through deliberate third-party action, could harm the integrity of, or consumer support for, the brand. A significant product liability issue or a widespread product recall could negatively impact the reputation of the affected product and/or the Company's brand for a period of time depending on product availability, competitive reaction, and consumer attitudes.

Fevertree Limited

Strategic report for the year ended 31 December 2020 *(continued)*

Principal risks and financial uncertainties – Continued

Inconsistent quality or contamination of the Company's products (continued)

To mitigate this risk, the Company employs an experienced Technical and Quality Director who is supported by a Technical team that we have continued to invest behind and grow during 2020. Together, they work closely with key ingredient and packaging suppliers alongside our production and logistics partners to ensure appropriate systems and controls are in place to minimise the risk of quality or contamination issues.

Key Management

The Company's success is linked to the efforts and abilities of key personnel and its ability to retain such personnel. The executive management team has significant experience in the industry and has made an important contribution to the Company's growth and success. The loss from the Company of a member of the executive management team could have an adverse effect on operations. To mitigate this risk, the Company's Remuneration Policy is designed to attract, retain, and motivate key management and includes a long-term incentive scheme and performance-related pay. Directors are remunerated by the Company's parent, but other key management personnel are remunerated by the Company.

COVID-19

At the start of the pandemic, we set-up a cross-departmental team to co-ordinate the Group's response. Throughout the period, our asset light, outsourced business model provided us with the flexibility to react quickly to changing channel dynamics and consumer demand as well as the resilience to withstand the ongoing challenges posed by the pandemic. The way our team across the globe has adapted to working remotely and the commitment they have demonstrated through the period is a testament to the talent and dedication of our employees.

Throughout the crisis we have strived to provide security and certainty to our team and therefore pledged very early into the pandemic to not use any Government furlough scheme or receive Government grants across our regions. Instead, during periods of lockdowns and restrictions we have focused our On-Trade sales teams on new projects and initiatives.

As well as focusing on our employees' wellbeing, we offered support to communities and groups across our regions, including financial support to local charities, encouraging staff with capacity to volunteer their time, and donating to initiatives supporting key workers. In the UK we supported "Salute the NHS" in their mission to provide one million meals to NHS frontline staff, donating 100,000 soft drinks to be included in their meal packs as well as donating to similar schemes supporting front line workers across many of our other regions. In addition, we have continued to give significant financial and marketing support to our charitable partner, Malaria No More in keeping the fight against malaria in the public eye through various external and internal initiatives.

The On-Trade restrictions and closures resulting from the pandemic are subsiding in most of our key markets and we are seeing the benefits of our continued investment in our strong relationships with our partners in that channel. Even as the On-Trade has reopened, we have continued to see good momentum in the Off-Trade driven by increased adoption of long mixed drinking at home as spirits continue to take share from beer and wine and increased support from retailer and spirit partners. Consequently, we have further strengthened our market share across our regions which, along with supportive industry trends and the return of the On-Trade, gives us confidence in the Company's position as we look ahead.

Fevertree Limited

Strategic report for the year ended 31 December 2020 (continued)

Going concern

The company is a subsidiary of Fevertree Drinks plc and participates in the Group's centralised treasury arrangements, sharing banking arrangements with its parent and fellow subsidiaries. The going concern assessment of the Company is therefore linked to that of the wider Fevertree Group.

The Directors have considered the going concern assessment undertaken by Fevertree Drinks plc, which incorporated this Company and included modelling a number of scenarios in relation to the potential impact of COVID-19. Having considered this assessment the Directors have concluded that the Group and 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 period.

Section 172 Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this s.172 requires a Director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

The Directors receive regular training on their obligations as Directors on an ongoing basis. The Directors aim to ensure a high standard of business conduct in all dealings. Directors are mindful of the long-term success, impact, and reputation of the Company in each of their decisions and actions. The table on the following page sets out the key stakeholders considered by the Directors in having regard to their s.172 obligations:

Fevertree Limited

Strategic report for the year ended 31 December 2020 *(continued)*

Section 172 Statement – Continued

Workforce	
Key priorities	<ul style="list-style-type: none"> • Providing a safe, diverse, and inclusive working environment • Opportunities to develop and make an impact • An open dialogue for how the business can continue to innovate and improve
Board engagement	<ul style="list-style-type: none"> • The Directors' engagement with our workforce includes formal and informal meetings. The shift to remote working provided an unexpected opportunity for Directors, senior management, and the wider business to work together more closely and successfully than ever, accelerating the adoption and use of video conferencing technology. Directors attended online global 'teach in' sessions which were implemented throughout the year to encourage open communication and the sharing of best practice across our international teams and also attended a number of more informal events, meetings, and sessions where they had the opportunity to engage with the workforce. • In addition, our Chief People Officer regularly meets with the Directors to provide updates on the Company's culture which have included the results of workforce engagement surveys and positive feedback from employees on the Company's response to the pandemic.
Impact on decision making	<ul style="list-style-type: none"> • During the year and informed by workforce engagement, the Directors supported a number of initiatives to further enhance our desired culture and diversity including: <ul style="list-style-type: none"> ○ growing the employee base further in line with the Company's long-term strategy; ○ training initiatives for members of the Company's on-trade team so they could be re-deployed into other parts of the business during lockdowns; ○ an apprenticeship scheme; and ○ an internal project initiated in 2020 designed to maintain entrepreneurial values and optimise ways of working as the Company scales.
Suppliers	
Key priorities	<ul style="list-style-type: none"> • Close engagement with the business to better understand demand • Prompt and accurate payment for goods and services • Developing mutually beneficial growth
Board engagement	<ul style="list-style-type: none"> • Our outsourced business model and commitment to innovation relies on a network of strong and long-term supplier partnerships. The Directors are regularly updated on supply chain matters by the Company's Chief Supply Chain Officer during the year. • COVID-19 provided a formidable test for supply chains globally, with challenges to demand forecasting, material sourcing, production planning and logistics. The Company's ability to react resiliently to changing circumstances and successfully mitigate disruption, working closely with its suppliers to ensure the health and safety of their workers, was a testament to the strength of its partnerships.
Impact on decision making	<ul style="list-style-type: none"> • The Directors endorsed various measures used to react to the pandemic and mitigate its effects including a programme of early payments to suppliers to help with their cashflow and the building of increased levels of buffer stock for key ingredients.

Fevertree Limited

Strategic report for the year ended 31 December 2020 *(continued)*

Section 172 Statement – Continued

Communities	
Key priorities	<ul style="list-style-type: none"> • A commitment to doing business in a way that is beneficial to both the environment and the wider community • A socially responsible business that sources conscientiously and engages with local communities at every level of the supply chain
Board engagement	<ul style="list-style-type: none"> • Our Social, Ethical and Environmental Business Policy is embedded in our partnerships and underpins our business model. • Looking ahead, the Directors are aligned on a focus on environmental objectives as a strategic priority and are encouraged by a number of exciting sustainability initiatives in development.
Impact on decision making	<ul style="list-style-type: none"> • The Directors consider the impact of Fever-Tree's operations on the community and the environment in all their decision making. • The Directors also continue to support the many community-led initiatives within the business including: <ul style="list-style-type: none"> ○ a partnership with charity Future Frontiers which connected young people from disadvantaged backgrounds with mentors from within the Company workforce; ○ a donation of financial support to UNITED, a charity based near our London HQ, in order to bolster the coronavirus response in the immediate vicinity of our UK office; and ○ product donations to hospital workers during the pandemic. • In addition, the Directors continued to endorse our long-standing partnership with charity Malaria No More UK.

Approval

This strategic report was approved by order of the Board on 27/09/2021.

DocuSigned by:

 4601E40F2EC14A0...
 A Branchflower
 Director

Fevertree Limited

Directors' report for the year ended 31 December 2020

The Directors present their report together with the audited financial statements for the year ended 31 December 2020.

Results and dividends

The income statement is set out on page 13 and shows the profit for the year.

The Directors do not recommend the payment of a final dividend. Total interim dividends of £30,000.0k (2019: £60,000.0k) were approved by the Company's shareholders in the year.

The Company generated revenues for the year of £219,126.5k (2019: £226,727.1k). The profit for the year after taxation amounted to £41,823.8k (2019: £53,697.5k).

Directors

The Directors of the Company during the year were:

T D G Warrillow
A Branchflower

Directors' responsibilities

The Directors are responsible for preparing the strategic report, the Directors' report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" ("FRS 101"), and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures explained in the financial statements; and
- 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.

The Directors have included information on likely future developments in the business of the Company and information in relation to financial risk management and exposure to certain risks and financial uncertainties in the strategic report on pages 1 to 4.

Fevertree Limited

Directors' Report for the year ended 31 December 2020 (*continued*)

Energy and carbon reporting

Fevertree Limited is included within the consolidated energy and carbon reporting provided by its parent company and therefore no additional disclosures are provided in this report.

Auditor

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 auditor for the purposes of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is 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.

Approved on behalf of the Board

DocuSigned by:

4601F40E2EC14A0...
A Branchflower
Director

27/09/2021

Fevertree Limited

Independent auditor's report to members of Fevertree Limited

Opinion

We have audited the financial statements of Fevertree Limited ("the Company") for the year ended 31 December 2020 which comprise the income statement, the statement of financial position and the statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Fevertree Limited

Independent auditor's report to members of Fevertree Limited *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 and Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company. The most significant of these was considered to be the applicable financial reporting frameworks (International Accounting Standards in conformity with the Companies Act 2006, FRS 101 and Companies Act 2006) and relevant tax compliance regulations and food standards legislation in the jurisdictions in which the Company operates.

Fevertree Limited

Independent auditor's report to members of Fevertree Limited *(continued)*

Extent to which the audit was capable of detecting irregularities, including fraud *(continued)*

- We assessed the susceptibility of the Company's financial statements to material misstatement, including understanding where and how fraud might occur.
- We obtained an understanding of the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error.
- Based on the understanding obtained we designed audit procedures to identify non-compliance with the laws and regulations, as noted above. This included enquiries of in-house legal counsel, Management, the Audit Committee, review of Board minutes, and correspondence with legal counsel and regulators.
- We tested journal entries, focusing on journal entries containing characteristics of audit interest, journals processed by users with privileged IT systems access rights and those relating to revenue.
- We tested and challenged the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Company.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

 9B05E3C2CBBA44E...

Diane Campbell (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
 London, UK

27/09/2021

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 2020

		2020	2019
	Note	£'000	£'000
Turnover	3	219,126.5	226,727.1
Cost of sales		(129,012.3)	(124,813.8)
Gross profit		90,114.2	101,913.3
Administrative expenses		(40,445.7)	(35,966.9)
Operating profit	5	49,668.5	65,946.4
Finance income	6	306.8	447.5
Finance expense	6	(34.3)	(119.9)
Profit on ordinary activities before tax		49,941.0	66,274.0
Tax expense on ordinary activities	7	(8,117.1)	(12,576.5)
Profit and total comprehensive income for the year		41,823.9	53,697.5

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

The notes on pages 16 to 29 form part of these financial statements.

Fevertree Limited

Statement of financial position at 31 December 2020

Company number 05291668		2020	2019
	Note	£'000	£'000
Non-current assets			
Tangible fixed assets	8	6,395.3	6,072.4
Investments in subsidiaries	18	-	-
Other financial assets		0.1	2,128.9
Total non-current assets		6,395.4	8,201.3
Current assets			
Inventories	9	27,273.8	16,708.2
Trade and other receivables	10	65,016.8	71,383.6
Derivative financial instruments	11	1,264.5	116.9
Cash and cash equivalents		67,745.4	88,546.2
Total current assets		161,300.5	176,754.9
Creditors: amounts falling due within one year			
Trade and other payables	12	(54,284.4)	(82,997.3)
Lease liability	17	(324.6)	(366.2)
Net current assets		106,691.5	93,391.4
Total assets less current liabilities		113,086.9	101,592.7
Provision for liabilities	13	(304.3)	(330.4)
Lease liability	17	(256.9)	(560.5)
Net Assets		112,525.7	100,701.8
Capital and reserves			
Share capital	14	103.9	103.9
Share premium	15	8,619.3	8,619.3
Retained earnings	15	103,802.5	91,978.6
Total equity		112,525.7	100,701.8

The financial statements were approved by the Board of Directors and authorised for issue on 27/09/2021.

DocuSigned by:

Andrew Branchflower

4801F40F2EC14A0...

A Branchflower

Director

The notes on pages 16 to 29 form part of these financial statements.

Fevertree Limited

Statement of changes in equity for the year ended 31 December 2020

	Share capital £'000	Share Premium £'000	Retained earnings £'000	Total £'000
Equity at 31 December 2018	103.9	8,619.3	98,281.1	107,004.3
Profit for the year	-	-	53,697.5	53,697.5
Dividends paid	-	-	(60,000.0)	(60,000.0)
Equity at 31 December 2019	103.9	8,619.3	91,978.6	100,701.8
Profit for the year	-	-	41,823.9	41,823.9
Dividends paid	-	-	(30,000.0)	(30,000.0)
Equity at 31 December 2020	103.9	8,619.3	103,802.5	112,525.7

The notes on pages 16 to 29 form part of these financial statements.

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020

1. Accounting policies

Fevertree Limited is a private company, limited by shares, incorporated, and domiciled in the United Kingdom and registered in England. The address of the registered office is given on the company information page.

The principal activity of the Company is that of developer and distributor of premium mixer drinks.

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 disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by IAS 1;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- certain disclosures required by IFRS 15 *Revenue from Contracts with Customers*;
- 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.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Going Concern

The going concern basis of preparation has been used for these financial statements. The Company is a subsidiary of Fevertree Drinks plc and participates in the Group's centralised treasury arrangements, sharing banking arrangements with its parent and fellow subsidiaries. The going concern assessment of the Company is therefore linked to that of the wider Fevertree Group.

The Directors have considered the going concern assessment undertaken by Fevertree Drinks plc, which incorporated this Company and included modelling a number of scenarios in relation to the potential impact of COVID-19 on the Group's cashflows for the period to the end of December 2022.

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

1. Accounting policies – Continued

Going Concern - continued

In completing this exercise, the Directors established there were no plausible scenarios that would result in the Group no longer continuing as a going concern.

The Directors have therefore concluded that the Company has adequate resources to continue in operational existence for at least the 12 months following the approval of the subsidiary financial statements, that it is appropriate to continue to adopt the going concern basis of preparation in the financial statements, that there is not a material uncertainty in relation to going concern and that there is no significant judgement involved in making that assessment.

Turnover

Revenue is measured based on the consideration specified in a contract with a customer. There is only one type of product – premium carbonated mixers – thus the revenue recognition policy is consistent across all sales.

Revenue is recognised when the Company's performance obligations are fulfilled, i.e. when control over goods is transferred to customers. Customers obtain control of the goods when they are delivered to and have been accepted at their premises or made available for ex-works collection, depending on individual customer arrangements.

Invoices are generated at that point in time and are usually payable within 30 days. Revenue is recorded based on the price specified in sales invoices, net of any agreed discounts and rebates, and exclusive of value added tax on goods supplied to customers during the year.

There are a variety of discounts and rebates provided to customers, which are assessed on a case-by-case basis as to whether the resulting payment to customers is for a distinct good or service (such as marketing) or for a promotional discount. If a payment to a customer is judged to be for a distinct good or service, this is accounted for as a cost in administrative expenses. If the payment is judged to represent a discount, this is accounted for as a reduction in the underlying transaction price. Management will restrict revenue to the amount that is highly unlikely to subsequently be reduced by promotion or discount. Accruals are included in the consolidated statement of financial position in respect of expected amounts necessary to meet the claims of the Company's customers based on discount and rebate agreements in place. None of the discounts or rebates result in a material right being provided to the customer, as there are no cases where customers are given the option to purchase at a discount in the future as a result of their historical purchases.

Given the Group corporate structure in place from February 2018, the majority of the Company's revenue with effect from that date arises from sales to other subsidiaries of the Fevertree Drinks Plc Group. No discounts and rebates are currently applied to intercompany sales.

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 2020 *(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 of tangible fixed assets so as to write off their carrying value over the expected useful economic lives. It is included within administrative expenses and is charged at the following rates:

Leasehold properties	over the life of the lease
Fixtures and fittings	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 fair value through other comprehensive income (FVOCI).

Fair value through profit or loss (FVTPL)

This category comprises only in-the-money derivatives (see "Financial liabilities" section for out-of-the-money derivatives). They are carried in the statement of financial position at fair value, with changes in fair value recognised in the income statement. Other than these derivative financial instruments, the Company does not have any assets classified as FVTPL.

Amortised Cost

The Company's assets at amortised cost comprise trade and other receivables included within the statement of financial position and cash and cash equivalents including cash held at bank.

Trade and other receivables are classified as financial assets at amortised cost as they are held only with the purpose of collecting the contractual cash flows. They arise principally through the provision of services to customers (e.g. trade receivables), where the contractual cash flows comprise only the invoiced amounts, but also incorporate other types of contractual monetary assets in which payments comprise only principal and interest. They are initially recognised at fair value plus, where relevant, directly attributable transactions costs and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised based on the expected credit loss model, with 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 separately in the consolidated statement of profit or loss and other 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.

The vast majority of the Company's trade receivables are intercompany, and the outcome of this expected credit loss assessment has been that the probability of impairment loss on these receivables is low, hence the provision is nil.

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

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 statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income.

Other financial liabilities

- 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

Lease accounting under IFRS 16

When entering into a contract the Company assesses whether or not a lease exists. A lease exists if a contract conveys a right to control the use of an identified asset under a period of time in exchange for consideration. The Company has elected not to separate non-lease components for the lease of land and buildings. Leases of low value items and short-term leases (leases of less than 12 months at the commencement date) are charged to the profit or loss on a straight-line basis over the lease term in administrative expenses.

The Company recognises right-of-use assets at cost and lease liabilities at the lease commencement date based on the present value of future lease payments. The right of use assets are depreciated on a straight-line basis in line with the Company's accounting policy for property, plant, and equipment. The lease liabilities are recognised at amortised cost using the effective interest rate method. Discount rates used reflect the incremental borrowing rate specific to the lease.

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

1. Accounting policies – Continued

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in line with those items.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 after making due allowance for obsolete and slow moving items. 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

The financial statements of the Company are presented in pounds sterling. The presentation currency of the financial statements is the same as the functional currency of the Company.

Transactions entered into by the 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 2020 (continued)

1. Accounting policies – Continued

Investments

Investments are shown at cost less amounts written off. Provisions are made for any impairment in value. Income is included in the financial statements in the year in which it is receivable.

2. Critical accounting estimates and judgements

The Company makes various judgements in applying its accounting policies and various assumptions and estimates, including about the future, when determining the carrying value of certain assets and liabilities. As at 31 December 2020 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements, or a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

3. Turnover

A) Revenue streams

There is one revenue stream, being the sale of premium carbonated mixers.

	2020	2019
	£'000	£'000
Revenue arises from:		
Sale of goods	219,126.5	226,727.1

An analysis of turnover by geographical market is given below:

	2020	2019
	£'000	£'000
United Kingdom	107,785.4	128,319.7
United States of America	44,092.8	29,965.7
Europe	44,465.0	53,314.9
Rest of the World	22,783.3	15,126.8
	219,126.5	226,727.1

B) Contract balances

There are no contract balances held by the Company given the Company's primary function of manufacturing the product and selling it to other Group companies, and therefore the Company has no Trade receivables.

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

4. Employees

	2020	2019
	£'000	£'000
Wages and salaries	8,929.1	6,001.8
Social security costs	1,260.5	727.1
Pension costs	331.1	590.1
	10,520.7	7,319.0

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

	2020	2019
	Number	Number
Directors	7	7
Staff	126	111
	133	118

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

5. Operating profit

This has been arrived at after charging:

	2020	2019
	£'000	£'000
Foreign exchange (gain)/loss	857.5	(773.7)
Depreciation of property, plant, and equipment	2,202.0	1,945.1
Loss on disposal of assets	115.1	-
Lease payments directly through profit or loss	3.3	136.9
Logistics and warehousing	14,692.0	15,366.0
Discretionary marketing	795.2	417.5
Fees for audit of the Company	85.0	80.0

6. Finance income and expense

	2020	2019
	£'000	£'000
Finance income		
Interest income	306.8	447.5
	306.8	447.5

	2020	2019
	£'000	£'000
Finance expense		
Interest on lease liabilities	18.6	110.6
Bank charges	15.7	9.3

34.3	119.9
------	-------

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

7. Taxation

	2020	2019
	£'000	£'000
Current tax expense		
Current tax on profits for the period	7,980.9	12,301.4
Adjustment in respect of prior period	162.3	1.3
	8,143.2	12,302.7
Deferred tax expense		
Origination and reversal of temporary differences	98.1	276.8
Effect of tax rate change on opening balance	21.7	-
Adjustment in respect of prior period	(145.9)	(3.0)
	8,117.1	12,576.5
Total tax expense	8,117.1	12,576.5

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:

	2020	2019
	£'000	£'000
Profit for the year	49,941.0	66,274.0
Expected tax charge based on corporation tax rate of 19% in 2020 (19% in 2019)	9,488.1	12,592.1
Group relief claim	(1,439.7)	-
Adjustment in respect of prior period	16.4	1.3
Adjustment in respect of current period	-	(32.6)
Other differences	52.3	15.7
	8,117.1	12,576.5
Total tax expense for the year	8,117.1	12,576.5

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

8. Tangible fixed assets

Tangible fixed assets comprise owned and leased assets, as follows:

	2020	2019
	£'000	£'000
Owned tangible fixed assets	5,849.6	5,174.4
Leased tangible fixed assets (right-of-use assets, see note 17)	545.7	898.0
Total tangible fixed assets	6,395.3	6,072.4

	Leasehold property improvements	Re-usable packaging	Motor vehicles	Fixtures and fittings	Totals
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2019	740.3	2,603.8	392.8	584.2	4,321.1
Additions	-	3,798.4	90.4	144.7	4,033.5
At 31 December 2019	740.3	6,402.2	483.2	728.9	8,354.6
Additions	166.1	2,133.3	-	343.1	2,642.5
Disposals	-	(115.1)	-	-	(115.1)
At 31 December 2020	906.4	8,420.4	483.2	1,072.0	10,882.0
Depreciation					
At 1 January 2019	145.4	1,030.1	182.0	229.3	1,586.8
Charge for the year	148.1	1,193.2	74.5	177.6	1,593.4
At 31 December 2019	293.5	2,223.3	256.5	406.9	3,180.2
Charge for the year	154.3	1,409.1	79.2	209.6	1,852.2
Disposals	-	-	-	-	-
At 31 December 2020	447.8	3,632.4	335.7	616.5	5,032.4
Net book value					
At 31 December 2020	458.6	4,788.0	147.5	455.5	5,849.6
At 31 December 2019	446.8	4,178.9	226.7	322.0	5,174.4

Right of use assets relating to leases are included within leasehold property and motor vehicles (see note 17).

9. Inventories

	2020	2019
	£'000	£'000
Raw materials	8,169.3	5,580.9
Finished goods	19,104.5	11,127.3
	27,273.8	16,708.2

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

9. Inventories – Continued

The cost of inventories recognised as an expense and included in the cost of sales amounted to £106,926.5k (2019: £110,785.1k). The amount charged to the statement of profit or loss and other comprehensive income in respect of impairment and write off of inventories was £1,140.8k (2019: £775.1k).

10. Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	-	-
Other receivables	1,694.0	4,443.2
Prepayments	2,007.0	2,033.2
Corporation tax asset	1,532.8	-
Recoverable VAT	2,180.7	1,344.7
Intercompany receivables	57,602.3	63,562.5
Total trade and other receivables	65,016.8	71,383.6

Included within intercompany receivables balance is an intercompany loan amount of \$4,204.7k due from Fevertree USA Inc. The interest rate is 3% (2019: 3%) and the repayment date is 31 December 2021

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

Trade receivables are nil (2019: nil), given the Company's primary function of manufacturing the product and selling it to other Group companies, while the other Group companies sell the product to third parties. This means that the vast majority of trade receivables are now intercompany. The probability of impairment of intercompany receivables is considered to be low, hence the expected loss provision is also nil.

There is no material difference between the net book amount and the fair value of current trade and other receivables due to their short-term nature.

11. Derivative financial instruments

	2020 £'000	2019 £'000
Foreign currency exchange contracts	1,264.5	116.9
Total derivative financial instruments	1,264.5	116.9

All contracts mature in less than 12 months; therefore, the instruments are current. The fair value of foreign exchange derivatives is based on bank valuations.

The gain from the movement in fair value on forward contracts of £1,147.6k (2019: loss of £425.9k) has been included within the foreign exchange gain in note 5 along with the foreign exchange movements in debtors and cash balances.

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

12. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade payables	7,900.6	2,802.7
Intercompany payables	29,742.3	60,013.6
Accruals	13,464.6	12,874.5
Taxation	-	4,269.1
Other payables	2,698.2	93.2
Social security & other taxes	478.7	2,944.2
Total trade and other payables	54,284.4	82,997.3

13. Provision for liabilities

The movement on the deferred tax account is as shown below:

	2020	2019
	£'000	£'000
Opening balance	330.4	56.5
Recognised in comprehensive income	(26.1)	273.9
Closing balance	304.3	330.4

	Accelerated capital allowances & other £'000
At 31 December 2018	56.5
Comprehensive income credit	273.9
At 31 December 2019	330.4
Comprehensive income debit	(26.1)
At 31 December 2020	304.3

14. Share capital

	2020	2020	2019	2019
	Number	£'000	Number	£'000
Ordinary shares of £0.0001 each				
At beginning of period	1,038,858,968	103.9	1,038,858,968	103.9
Issued during the year	-	-	-	-
At 31 December 2020	1,038,858,968	103.9	1,038,858,968	103.9

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.

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

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 statement of comprehensive income. Movements on these reserves are set out in the statement of changes in equity.

16. Dividends

The Company paid dividends of £30,000.0k (2019: £60,000.0k) during the year.

17. Leases

The Company leases its office premises and a few motor vehicles.

Right-of-use assets:

	Leasehold property	Motor vehicles	Total
	£'000	£'000	£'000
Balance at 1 January 2019	1,129.2	120.5	1,249.7
Additions	-	-	-
Depreciation charge for the year	(301.3)	(50.4)	(351.7)
Balance at 31 December 2019	827.9	70.1	898.0
Additions	-	-	-
Depreciation charge for the year	(300.4)	(49.4)	(349.8)
Early termination of lease		(2.5)	(2.5)
Balance at 31 December 2020	527.5	18.2	545.7

Lease liabilities:

	2020	2019
	£'000	£'000
Undiscounted future cash flows		
Not later than one year	336.0	366.2
Later than one year and not later than five years	245.3	585.2
Later than five years	-	-
Total undiscounted future cash flows	581.3	951.4
Lease liabilities at 31 December	581.5	926.7
Current lease liabilities	324.6	366.2
Non-current lease liabilities	256.9	560.5

Amounts recognised in the profit or loss

	2020	2019
	£'000	£'000
Interest on lease liabilities	18.6	110.6
Depreciation charge for right-of-use assets	352.3	351.7
Charge relating to short-term leases	3.3	136.9

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

18. Investments in subsidiaries

£'000

Cost

At 31 December 2019 and 2020

-

During 2019, a new subsidiary, Fevertree Germany Limited, was incorporated by Fevertree Europe Limited.

During 2020, a new subsidiary, Fevertree USA Production Co. Inc., was incorporated by Fevertree USA Holding Co. Inc. Additionally, on 1 July 2020, Fevertree Europe Limited acquired 100% of the share capital of GDP Global Drinks Partnership GmbH, "GDP", the Group's former sales agent in Germany.

Subsidiary undertakings

The undertakings in which the Company has interests at the year end are as follows:

Name	Country of incorporation	Registered address	Proportion of voting rights and ordinary share capital held	Nature of business
Fevertree UK Limited	UK	Kildare House, 3 Dorset Rise, London, EC4Y 8EN	100%	Sale of premium mixer drinks
Fevertree US Limited	UK	Kildare House, 3 Dorset Rise, London, EC4Y 8EN	100%	The activities of a holding company
Fevertree Europe Limited	UK	Kildare House, 3 Dorset Rise, London, EC4Y 8EN	100%	Sale of premium mixer drinks
Fevertree ROW Limited	UK	Kildare House, 3 Dorset Rise, London, EC4Y 8EN	100%	Sale of premium mixer drinks
Fevertree USA Holding Co. Inc.	USA	251 Little Falls Drive, Wilimington, Delaware, 19808	100%*	The activities of a holding company
Fevertree USA Inc.	USA	251 Little Falls Drive, Wilimington, Delaware, 19808	100%*	Sale of premium mixer drinks
Fevertree USA Production Co. Inc.	USA	251 Little Falls Drive, Wilimington, Delaware, 19808	100%*	Development and distribution of premium mixer drinks
Fevertree Germany Limited	UK	Kildare House, 3 Dorset Rise, London, EC4Y 8EN	100%*	Sale of premium mixer drinks

Fevertree Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

18. Investments in subsidiaries – Continued

Name	Country of incorporation	Registered address	Proportion of voting rights and ordinary share capital held	Nature of business
GDP Global Drinks Partnership GmbH	Germany	Marienstr. 17 80331 München	100%*	Distribution of premium mixers and other drinks

* Indirect holding

19. Events after the reporting period

There were no events after the reporting period to disclose.

20. 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 other related party transactions which occurred during the year.

21. 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, incorporated in the United Kingdom. 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.