

Company Registration No. 04456158 (England and Wales)

CURIOUS DRINKS LTD

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2011**

TUESDAY



A1BFLQE1

A18

19/06/2012

#268

COMPANIES HOUSE

CURIOUS DRINKS LIMITED

COMPANY INFORMATION

Directors	F D Thompson R A B Woodhouse
Secretary	R A B Woodhouse
Company number	04456158
Registered office	Chapel Down Winery, Small Hythe Road Tenterden Kent TN30 7NG
Registered auditors	Crowe Clark Whitehill LLP Chartered Accountants & Statutory Auditors Jaeger House 5 Clanricarde Gardens Tunbridge Wells Kent TN1 1PE
Bankers	Barclays Bank Plc Kent Business Centre 17 North Street Ashford Kent BX3 2BB
Solicitors	Thomson Snell & Passmore 3 Lonsdale Gardens Tunbridge Wells Kent TN1 1NX

CURIOUS DRINKS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the financial statements	8 - 12

CURIOUS DRINKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the company is that of producing and selling beer under the "Curious" brand

Overall turnover was £182,117

The overall gross profit was £56,845

Administration and marketing expenses were £101,581 This is due to start-up costs associated with building the brand and its distribution channels

Financial risk management

The management of the company's financial resources is key to ensuring sufficient funds are available to meet financial commitments as and when they fall due The main risk arising from the company's financial instruments are third party credit risk

Credit risk

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

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements The directors confirm that they consider that the going concern basis remains appropriate The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained The directors believe that the Company has sufficient resources to continue in operational existence for the foreseeable future The directors believe this to be the case as the Company has positive reserves, and the ongoing support of the parent company Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Results and dividends

The results for the year are set out on page 4

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 January 2011

F D Thompson
R A B Woodhouse

CURIOUS DRINKS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

Auditors

During the year Crowe Clark Whitehill LLP were appointed as Statutory auditors of the company

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

Statement of Directors' responsibilities

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Provision of information to auditors

Each of the persons who are directors at the time when the directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

On behalf of the board



R A B Woodhouse

17 April 2012

CURIOUS DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CURIOUS DRINKS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Curious Drinks Limited for the period ended 31 December 2011, set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body for our audit work for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its results for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, in our opinion:

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



Mark Anderson (Senior Statutory Auditor)

For and on behalf of

Crowe Clark Whitehill LLP
Statutory Auditors

Jaeger House
5 Clannacarde Gardens
Tunbridge Wells
Kent
TN11 1PE

17 April 2012

CURIOUS DRINKS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	182,117	-
Cost of sales		<u>(125,272)</u>	<u>-</u>
Gross profit		56,845	-
Administrative expenses		<u>(101,581)</u>	<u>-</u>
		<u>(101,581)</u>	<u>-</u>
Operating loss	3	(44,736)	-
Interest payable and similar charges	4	<u>(2,076)</u>	<u>-</u>
Loss on ordinary activities before taxation		(46,812)	-
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation	13	<u><u>(46,812)</u></u>	<u><u>-</u></u>


The profit and loss account has been prepared on the basis that all operations are continuing operations
All gains and losses are included in the profit and loss account

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

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		111,554		-
Current assets					
Stocks	7	30,767		-	
Debtors	8	<u>-</u>		<u>1</u>	
		30,767		1	
Creditors amounts falling due within one year	9	<u>(4,000)</u>		<u>-</u>	
Net current assets			<u>26,767</u>		<u>1</u>
Total assets less current liabilities			138,321		1
Creditors amounts falling due after more than one year	10		<u>(85,133)</u>		<u>-</u>
			<u>53,188</u>		<u>1</u>
Capital and reserves					
Called up share capital	12		100,000		1
Profit and loss account	13		<u>(46,812)</u>		<u>-</u>
Shareholders' funds - equity interests	14		<u>53,188</u>		<u>1</u>

The financial statements were approved by the Board on 17 April, 2012


R A B Woodhouse
Director

CURIOUS DRINKS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Cash Flow Notes	2011 £	2010 £
Net cash outflow from operating activities	1	(55 538)	(1)
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		<u>(2 076)</u>	<u>-</u>
Net cash outflow for returns on investments and servicing of finance		(2 076)	-
Capital expenditure			
Payments to acquire tangible assets		<u>(127,518)</u>	<u>-</u>
Net cash outflow for capital expenditure		(127,518)	-
Net cash outflow before management of liquid resources and financing		(185,132)	(1)
Financing			
Issue of ordinary share capital		<u>99,999</u>	<u>1</u>
		99 999	1
Increase in other long term loans		<u>85,133</u>	<u>-</u>
Net cash inflow from financing	2	85,133	-
Increase/(decrease) in cash in year	2	<u>-</u>	<u>-</u>

CURIOUS DRINKS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating loss to net cash outflow from operating activities		2011	2010
			£	£
	Operating loss		(44,736)	-
	Depreciation of tangible assets		15,964	-
	Loss on disposal of assets		-	-
	Increase in stocks		(30,767)	-
	(Increase)/decrease in debtors		1	(1)
	Increase in creditors within one year		4 000	-
	Net cash outflow from operating activities		<u>(55,538)</u>	<u>(1)</u>

2	Analysis of net debt	1 January 2011 £	Cash flow £	Other non- cash changes £	31 December 2011 £
	Debt				
	Debts falling due after one year	<u>-</u>	<u>(85,133)</u>	<u>-</u>	<u>(85,133)</u>
		<u>-</u>	<u>(85,133)</u>	<u>-</u>	<u>(85,133)</u>
	Net debt	<u><u>-</u></u>	<u><u>(85,133)</u></u>	<u><u>-</u></u>	<u><u>(85,133)</u></u>

3	Reconciliation of net cash flow to movement in net debt	2011 £	2010 £
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	<u>(85,133)</u>	<u>-</u>
	Movement in net debt in the year	(85,133)	-
	Opening net debt	<u>-</u>	<u>-</u>
	Closing net debt	<u>(85,133)</u>	<u>-</u>

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

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

1.3 Turnover

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

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

1.4 Tangible fixed assets and depreciation

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

Plant and machinery	20% straight line
---------------------	-------------------

1.5 Stock

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

1.6 Deferred taxation

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

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.7 Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. The directors believe that the Company has sufficient resources to continue in operational existence for the foreseeable future. The directors believe this to be the case as the Company has positive reserves and the ongoing support of the parent company. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

2	Turnover	Turnover	
		2011 £	2010 £
	Geographical segment		
	UK	182,117	-
		<u>182,117</u>	<u>-</u>
3	Operating profit	2011 £	2010 £
	Operating profit is stated after charging		
	Depreciation of tangible assets	15,964	-
	Fees payable to the company's auditor for the audit of the company's annual accounts	3 000	-
	Fees payable to the company's auditor for tax services	1,325	-
		<u>18,289</u>	<u>-</u>
4	Interest payable	2011 £	2010 £
	Other interest	2,076	-
		<u>2,076</u>	<u>-</u>
5	Taxation	2011 £	2010 £
	Analysis of tax charge in the year		
	Current tax		
	Uk corporation tax charge on loss for year	-	-
	Deferred tax		
	Origination and reversal of timing differences	-	-
	Effect of change in deferred tax rate	-	-
	Total deferred tax	-	-
	Tax on loss on ordinary activities	-	-
	Factors affecting the tax charge for the year		
	The tax assessed for the year is higher than the standard rate of corporation tax in the UK (26.5%)		
	The differences are explained below		
	Loss per accounts	(46,812)	-
	Tax on loss on ordinary activities at standard CT rate of 26.5%	(12,405)	-
	Effects of		
	Capital allowances in excess of depreciation	(2,528)	-
	Ineligible depreciation and amortisation	-	-
	Expenses not deductible for tax purposes	-	-
	(Utilisation of tax losses)/unused losses	14,933	-
	Other short term timing differences	-	-
	UK dividend and other income not taxable	-	-
	Current tax charge for the year	-	-
	Estimated tax losses carried forward are £56,351 which can be set against future profits arising from the same trade		

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

6 Tangible fixed assets

	Plant and Equipment	Total
	£	£
Cost		
Transferred from English Wines Plc	33,546	33,546
Additions	93,972	93,972
At 31 December 2011	127,518	127,518
Depreciation		
At 1 January 2011	-	-
Charge for the year	15,964	15,964
At 31 December 2011	15,964	15,964
Net book value		
At 31 December 2011	111,554	111,554
At 31 December 2010	-	-
7 Stocks and work in progress	2011	2010
	£	£
Finished goods and goods for resale	30,767	-
	30,767	-
8 Debtors	2011	2011
	£	£
Other debtors	-	1
	-	1
9 Creditors amounts falling due within one year	2011	2010
	£	£
Accruals and deferred income	4,000	-
	4,000	-

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

10	Creditors amounts falling due after more than one year	2011	2010
		£	£
	Amounts owed to parent company	85 133	-
	Accruals and deferred income	-	-
		<u>85,133</u>	<u>-</u>
	Analysis of loans		
	Not wholly repayable within five years other than by instalments		
	Amounts owed to parent company	85 133	-
	Wholly repayable within five years	-	-
	Bank Loan	-	-
		<u>85 133</u>	<u>-</u>
	Included in current liabilities	-	-
		<u>85,133</u>	<u>-</u>
	Loan maturity analysis		
	In more than one year but not more than two years	-	-
	In more than two years but not more than five years	-	-
	In more than five years	<u>85,133</u>	<u>-</u>
11	Deferred taxation	2011	2010
	The movements in deferred tax are as follows		
	At 1 January 2011	-	-
	(Released)/charged during the year	-	-
	At 31 December 2011	-	-
	Accelerated capital allowances	2 385	-
	Losses	<u>(2 385)</u>	<u>-</u>
		<u>-</u>	<u>-</u>
12	Share capital	2011	2010
		£	£
	Allotted, called up and fully paid		
	100 000 Ordinary shares of £1 each	<u>100,000</u>	<u>1</u>
	The shares were issued to fund the increase in working capital requirements of the company		
13	Statement of movements on reserves		Profit and loss account
			£
	Balance at 1 January 2011		-
	Retained loss for the period		<u>(46,812)</u>
	Balance at 31 December 2011		<u>(46,812)</u>
14	Reconciliation of movements in shareholders' funds	2011	2010
		£	£
	Loss for the financial year	(46,812)	-
	Issue of shares	99 999	1
	Net addition to/(depletion in) shareholders' funds	<u>53 187</u>	<u>1</u>
	Opening shareholders' funds	<u>1</u>	<u>-</u>
	Closing shareholders' funds	<u>53,188</u>	<u>1</u>

CURIOUS DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Control

The parent company, Chapel Down Group Plc holds 70% of the share capital of the company and is incorporated in England & Wales. The accounts of Chapel Down Group Plc can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. The remaining 30% is held by the senior management as a minority interest.

16 Related Party Transactions

For operational efficiency all the sales and direct purchases relating to the "Cunous" range of beers are processed through English Wines PLC a 100% subsidiary of Chapel Down Group PLC which in turn owns 70% of Cunous Drinks Limited. The sales and purchases are then transferred to Cunous Drinks Limited via an intercompany charge from Chapel Down Group PLC. In addition Chapel Down Group PLC recharges Cunous Drinks Limited a proportion of the overheads incurred by English Wines PLC. The total amount owing to Chapel Down Group PLC at 31 December 2011 was £85,132.