

BB&R US LIMITED
3, St. James's Street, London, SW1A 1EG

DIRECTORS

E. J. Rudd
E. M. Rudd

AUDITORS

ERNST & YOUNG LLP
1 More London Place,
London,
SE1 2AF



REPORT OF THE DIRECTORS

The Directors submit their Report and Accounts for the year ended 31 March 2021. In accordance with the small companies' exemption within Section.414B of the Companies Act 2006, the company is not required to prepare a Strategic Report.

Principal Activity

The business of the Company is the provision of management services to and holding a controlling interest in BB&R US LLC.

Results and Dividends

Turnover for the year amounted to £84,000 (2020: £80,000), the Company made a loss after tax of £175,000 (2020: £269,000). The Directors do not recommend a payment of a final dividend.

Directors

The present Directors and those who served during the year and up to the date of approval of the accounts are listed below:

E. J. Rudd
E. M. Rudd

Directors' Statement as to Disclosure of Information to Auditors

In accordance with Section 418(2) of the Companies Act 2006, each of the Company's Directors in office as at the date of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going Concern

The Balance Sheet shows that the Company had net current liabilities at 31st March 2021. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries. The parent of the Company, Berry Bros. & Rudd Limited, has written a letter of support which confirms its ability to support the Company in operational existence for the foreseeable future. Accordingly, the directors' have adopted the going concern basis in preparing the annual report and accounts.

By Order of the Board



E. M. Rudd
Director

3 St. James's Street, London, SW1
27 October 2021
Registered in England No. 07252491

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 the profit of the company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BB&R US LIMITED

Opinion

We have audited the financial statements of BB&R US Limited for the year ended 31 March 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 10, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2021 and of its loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BB&R US LIMITED

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 the 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 or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

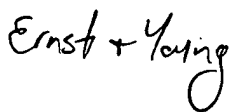
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BB&R US LIMITED

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its domestic and overseas operations, including health and safety, employees, data protection and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk.
- We incorporated data analytics into our testing of manual journals. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

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.



Peter McIver (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
28 October 2021

BB&R US LIMITED**PROFIT AND LOSS ACCOUNT***For the year ended 31 March 2021*

		31.03.21 £000s	31.03.20 £000s
	<i>Note</i>		
Turnover		84	80
Cost of sales		(76)	(72)
Gross Profit		<u>8</u>	<u>8</u>
Administration and other expenses		(19)	(16)
Other operating income		<u>61</u>	<u>4</u>
Operating Loss		<u>50</u>	<u>(4)</u>
Interest payable	3	<u>(225)</u>	<u>(259)</u>
Loss on ordinary activities before taxation		<u>(175)</u>	<u>(263)</u>
Taxation charge	4	<u>-</u>	<u>(6)</u>
Loss for the financial year after taxation		<u>(175)</u>	<u>(269)</u>

BALANCE SHEET

As at 31 March 2021

		31.03.21 £000s	31.03.20 £000s
Fixed Assets	Note		
Investments	5	18,717	18,717
		<u>18,717</u>	<u>18,717</u>
Current Assets			
Debtors – amounts falling due within one year	6	506	365
Short-term deposits and cash		376	34
		<u>882</u>	<u>399</u>
Creditors – amounts falling due within one year	7	(9,662)	(9,019)
Net Current Liabilities		<u>(8,780)</u>	<u>(8,620)</u>
Creditors – amounts falling due in more than one year	7	(7,486)	(7,471)
NET ASSETS		<u><u>2,451</u></u>	<u><u>2,626</u></u>
Capital and Reserves			
Called up share capital	8	5,135	5,135
Profit and Loss Account		(2,684)	(2,509)
TOTAL SHAREHOLDERS' FUNDS		<u><u>2,451</u></u>	<u><u>2,626</u></u>

Approved by the board and signed on its behalf:



E. M. Rudd
Director

3 St. James's Street, London, SW1
27 October 2021
Registered in England No. 07252491

BB&R US LIMITED

STATEMENT OF CHANGES IN EQUITY*As at 31 March 2020*

	Share Capital	Profit & Loss Account	Total Equity
	£000s	£000s	£000s
At 31 March 2019	5,135	(2,240)	2,895
Loss for the financial year	-	(269)	(269)
At 31 March 2020	5,135	(2,509)	2,626
Loss for the financial year	-	(175)	(175)
At 31 March 2021	5,135	(2,684)	2,451

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and in the preceding year. The Company's financial statements have been prepared in compliance with FRS 102 for the year ended 31 March 2021.

General information and basis of preparation

BB&R US Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities and Section 1A Small Entities of Financial Reporting Standard 201 (FRS 102).

The functional currency of BB&R US Limited is the pound sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are rounded to the nearest £000.

In preparing its financial statements BB&R US Limited has taken advantage of the following disclosure exemptions available to it in FRS 102:

- No Cash Flow Statement with related notes has been presented; and
- No disclosure has been given for the aggregate remuneration of the key management personnel as their remuneration is included in the totals for the group as a whole; and
- Related party transactions between two or more companies of the same Group have not been included.

Authorisation of financial statements

The financial statements of BB&R US Limited for the year ended 31 March 2021 were authorised for issue by the Board of Directors on 27 October 2021 and the balance sheet was signed on the Board's behalf by Elizabeth Rudd, a director of the Company.

Going Concern

The Balance Sheet shows that the Company had net current liabilities at 31st March 2021. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries. The parent of the Company, Berry Bros. & Rudd Limited, has written a letter of support which confirms its intention to support the Company in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and accounts.

Revenue recognition

The company receives a quarterly management fee for US Corporate Governance services to its subsidiary entities. This revenue is recognised on an accruals basis.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying a monthly exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. All differences are taken to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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 is measured using the tax rates and laws that have been enacted and substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in the Statement of Total Recognised Gains and Losses or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (continued)

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand.

Interest-bearing loans

Interest-bearing loans are recognised initially at the present value of future payments. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost, less any impairment losses.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in administration expenses.

Investments

In the financial statements, investments in subsidiaries are accounted for at the lower of cost and recoverable amount. The carrying values of fixed asset investments are reviewed for impairment in financial periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Interest receivable and interest payable

Interest payable includes interest payable on external loans and other third-party contracts, net interest cost in respect of retirement benefit schemes, and for the Company interest payable on related party loans. Interest receivable and similar income includes interest receivable on funds invested and deferred consideration receivable, and for the Company interest receivable on related party loans. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration for audit and non-audit services is paid and borne by Berry Bros. & Rudd Limited, the parent company of BB&R US Limited.

The Directors of the company were employed and remunerated by other Group companies. The qualifying services provided to the Company by these Directors were incidental compared to their main roles, therefore the remuneration amount relating to the Company is £nil for the year ended 31st March 2021 (2020: £nil). There are no other employees of the Company.

NOTES TO THE FINANCIAL STATEMENTS

3. INTEREST PAYABLE

	31.03.21	31.03.20
	£000s	£000s
Bank interest	-	-
Other - Intercompany loan	225	259
	<u>225</u>	<u>259</u>

4. TAXATION

	31.03.21	31.03.20
	£000s	£000s
Loss on ordinary activities before tax	<u>(175)</u>	<u>(263)</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(33)	(50)
Effects of:		
Adjustment in respect of prior year	-	6
Movement in unrecognised deferred tax	33	47
Taxable profits from LLP	-	3
Total tax for the year	<u>-</u>	<u>6</u>

Factors which may affect future tax charges

The main rate of UK corporation tax reduced from 20% to 19% from 1 April 2017. In 2020, the government announced that the UK corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19%.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS

	31.03.20	31.03.19
	£000s	£000s
1st April, 2019	18,717	18,717
Additions	-	-
31st March, 2020	18,717	18,717

An impairment assessment has been undertaken in accordance with Section 17, FRS 102, which found that there were no indicators of impairment.

Details of the investments held by the Company are as follows:

Name of Subsidiary Company	Country of Registration	Holding	Proportion Held	Nature of Business	Registered Address
1698 US LLC	USA	100 units	100%	Non-trading	251 Little Falls Drive, Wilmington, USA
Potrero Distilling Holdings LLC	USA	60 units	60%	Provision of management services to and holder of an interest in	550 Montgomery St, San Francisco, USA
Hotaling & Co	USA	60 units	*60%	Hotaling & Co Spirits production, sales and marketing Year End: 31st December	550 Montgomery St, San Francisco, USA
Bay Street Properties, LLC	USA	60 units	*60%	Property owner which is leased to Hotaling & Co	550 Montgomery St, San Francisco, USA

*Holdings owned by the Parent Company through Potrero Distilling Holdings LLC

NOTES TO THE FINANCIAL STATEMENTS

6. DEBTORS

	31.03.21	31.03.20
	£000s	£000s
Amounts falling due within one year:		
Other debtors	78	-
Amounts due from group companies	428	365
	<u>506</u>	<u>365</u>

7. CREDITORS

	31.03.21	31.03.20
	£000s	£000s
Amounts falling due within one year:		
Other creditors and accruals	361	2
Amounts due to group companies	9,302	9,017
	<u>9,662</u>	<u>8,671</u>
Amounts falling due in more than one year:		
Amounts due to group companies	7,486	7,485
	<u>7,486</u>	<u>7,485</u>

8. CALLED-UP SHARE CAPITAL AND RESERVES

	Authorised		Issued and Fully Paid	
	31.03.20	31.03.19	31.03.20	31.03.19
	£000s	£000s	£000s	£000s
Amounts classified as equity				
Ordinary Shares of £1 each	5,135	5,135	5,135	5,135
	<u>5,135</u>	<u>5,135</u>	<u>5,135</u>	<u>5,135</u>

9. ULTIMATE PARENT COMPANY

In the opinion of the Directors, the Company's immediate and ultimate parent undertaking and controlling party is Berry Bros. & Rudd Limited, a registered company in England and Wales, for which group financial statements, including the Company, are drawn up. Copies of these Group financial statements can be obtained from its registered office: 3, St. James's Street, London, SW1A 1EG.

BB&R US LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. SUBSEQUENT EVENT DISCLOSURES

In June 2021, Berry Bros. & Rudd, the parent company of BB&R US Limited, announced a strategic partnership with Edrington to support the worldwide growth of the No. 3 London Dry Gin brand. This has involved the incorporation of a new legal entity, No. 3 London Dry Gin Limited, which is a new group company and majority owned by Berry Bros. & Rudd Limited.