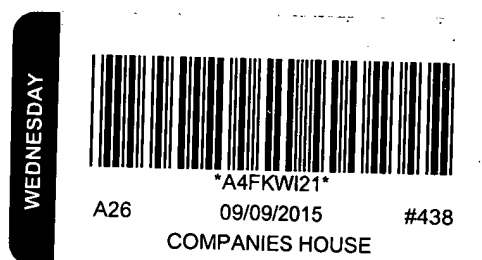


Company Number: 01688201

United Breweries International (UK) Limited
Directors' Report and Consolidated Financial Statements
for the Year Ended 31 December 2014



United Breweries International (UK) Limited

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United Breweries International (UK) Limited
Company Information

Directors Dr V Mallya (Chairman)
 J Merchant
 M Narayanan

Company secretary M Davis

Registered office Springfield House
 Sandling Road
 Maidstone
 Kent
 ME14 2LP

Auditors Hawsons Chartered Accountants
 Jubilee House
 32 Duncan Close
 Moulton Park
 Northampton
 NN3 6WL

United Breweries International (UK) Limited
Strategic Report for the Year Ended 31 December 2014

Business review

Fair review of the business

The results for the year show a profit of £543,289 (2013: £415,166) on sales of £13,461,726 (2013: £13,936,735). As a result of the profit for the year the group has a reduced deficit on shareholders' funds of £369,559 (2013: £912,848).

Despite the continuing decline in the UK beer market, the group has had a good year in terms of turnover and volumes. Margins have expanded and the group has enhanced its profitability.

The company has continued with its responsibility for overall brand strategy & development of Kingfisher Beer in the UK; marketing and promoting it with its own directly supplied accounts, whilst Heineken UK has continued to handle sales and distribution to selected national off-trade retail customers.

Financial risk

Principal risks and uncertainties

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Approved by the Board and signed on its behalf by:


M Narayanan
Director

24 March 2015

United Breweries International (UK) Limited
Directors' Report for the Year Ended 31 December 2014

The directors present their report and the consolidated financial statements for the year ended 31 December 2014.

Principal activity

The principal activity of the group is that of the marketing and distribution of beer.

Directors of the company

The directors who held office during the year were as follows:

Dr V Mallya
J Merchant
M Narayanan

Dividends

The directors do not recommend the payment of a dividend (2013: £Nil).

Approved by the Board and signed on its behalf by:



M Davis
Company secretary

24 March 2015

United Breweries International (UK) Limited
Statement of Directors' Responsibilities in respect of the financial statements for the year
ended 31 December 2014

Statement of directors' responsibilities

The directors are responsible for preparing 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 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out on page 2 each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditor's Report to the Members of United Breweries International (UK) Limited

We have audited the financial statements of United Breweries International (UK) Limited for the year ended 31 December 2014, set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 (APB'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 group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. 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 group's and of the parent company's affairs as at 31 December 2014 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent Auditor's Report to the Members of
United Breweries International (UK) Limited**

..... continued

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Hawsons

**Richard Burkimsher
Senior Statutory Auditor**

For and on behalf of:
Hawsons Chartered Accountants
Statutory Auditor
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL

25 March 2015

United Breweries International (UK) Limited
Consolidated Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	13,461,726	13,936,735
Cost of sales		<u>(8,003,230)</u>	<u>(9,278,447)</u>
Gross profit		5,458,496	4,658,288
Distribution costs		(2,947,386)	(2,499,464)
Administrative expenses		<u>(1,865,786)</u>	<u>(1,661,179)</u>
Group operating profit	3	645,324	497,645
Interest payable and similar charges	6	<u>(102,035)</u>	<u>(82,479)</u>
Profit on ordinary activities before and after taxation		<u><u>543,289</u></u>	<u><u>415,166</u></u>


Turnover and operating profit derive wholly from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

United Breweries International (UK) Limited
(Registration number: 01688201)
Consolidated Balance Sheet at 31 December 2014

			2014	2013
	Note	£	£	£
Fixed assets				
Intangible fixed assets	9		1	1
Tangible fixed assets	10		759,596	691,231
Current assets				
Stocks	12	45,080		14,910
Debtors due within one year	13	2,162,338		1,794,533
Debtors due after one year	13	70,752		35,453
Cash at bank and in hand		53,661		127,376
		<u>2,331,831</u>		<u>1,972,272</u>
Creditors: Amounts falling due within one year	14	<u>(2,838,275)</u>		<u>(2,447,884)</u>
Net current liabilities			<u>(506,444)</u>	<u>(475,612)</u>
Total assets less current liabilities			253,153	215,620
Creditors: Amounts falling due after more than one year	15		<u>(622,712)</u>	<u>(1,128,468)</u>
Net liabilities			<u><u>(369,559)</u></u>	<u><u>(912,848)</u></u>
Capital and reserves				
Called up share capital	18	100,000		100,000
Profit and loss account	19	<u>(469,559)</u>		<u>(1,012,848)</u>
Shareholders' deficit	20		<u><u>(369,559)</u></u>	<u><u>(912,848)</u></u>

Approved by the Board and signed on its behalf by:


M Narayanan
Director

24 March 2015

United Breweries International (UK) Limited

(Registration number: 01688201)

Balance Sheet at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	11	<u>299,119</u>	<u>299,119</u>
Current assets			
Debtors due within one year	13	225,273	224,963
Debtors due after one year	13	<u>193,913</u>	<u>173,961</u>
		419,186	398,924
Creditors: Amounts falling due within one year	14	<u>(368,491)</u>	<u>(318,792)</u>
Net current assets		<u>50,695</u>	<u>80,132</u>
Total assets less current liabilities		349,814	379,251
Creditors: Amounts falling due after more than one year	15	<u>(91,620)</u>	<u>(120,700)</u>
Net assets		<u>258,194</u>	<u>258,551</u>
Capital and reserves			
Called up share capital	18	100,000	100,000
Profit and loss account	19	<u>158,194</u>	<u>158,551</u>
Shareholders' funds	20	<u>258,194</u>	<u>258,551</u>

Approved by the Board and signed on its behalf by:



M Narayanan
Director

24 March 2015

United Breweries International (UK) Limited
Consolidated Cash Flow Statement for the Year Ended 31 December 2014

Reconciliation of operating profit to net cash flow from operating activities

	2014 £	2013 £
Operating profit	645,324	497,645
Depreciation, amortisation and impairment charges	411,145	273,343
Profit on disposal of fixed assets	(9,738)	(1,891)
Increase in stocks	(30,170)	(14,910)
(Increase)/decrease in debtors	(403,104)	258,864
Increase/(decrease) in creditors	38,255	(1,203,358)
Net cash inflow/(outflow) from operating activities	<u>651,712</u>	<u>(190,307)</u>

Cash flow statement

	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	<u>651,712</u>	<u>(190,307)</u>
Returns on investments and servicing of finance		
Interest paid	<u>(102,035)</u>	<u>(82,479)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(479,510)	(304,976)
Sale of tangible fixed assets	9,738	1,891
	<u>(469,772)</u>	<u>(303,085)</u>
Net cash inflow/(outflow) before management of liquid resources and financing	<u>79,905</u>	<u>(575,871)</u>
Financing		
Value of new loans obtained during the period	-	1,000,000
Repayment of loans and borrowings	<u>(333,333)</u>	<u>-</u>
	<u>(333,333)</u>	<u>1,000,000</u>
(Decrease)/increase in cash	<u>(253,428)</u>	<u>424,129</u>

Reconciliation of net cash flow to movement in net debt

	Note	2014 £	2013 £
(Decrease)/increase in cash		(253,428)	424,129
Cash inflow from increase in loans		-	(1,000,000)
Cash outflow from repayment of loans		333,333	-
Change in net debt resulting from cash flows	22	<u>79,905</u>	<u>(575,871)</u>
Movement in net debt	22	79,905	(575,871)
Net debt at 1 January	22	<u>(1,311,741)</u>	<u>(735,870)</u>
Net debt at 31 December	22	<u>(1,231,836)</u>	<u>(1,311,741)</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

United Breweries International (UK) Limited
Notes to the Financial Statements for the Year Ended 31 December 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. In addition, these financial statements have been prepared on a going concern basis since the directors are satisfied that the ultimate parent company has provided its continued financial and commercial support and financial support will be provided by the group's financiers for the foreseeable future.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2014.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries.

Turnover

Turnover is derived principally from the sale of Kingfisher beer in the ordinary course of business and represents amounts receivable by the group, net of VAT, returns, customer discounts and other sales related discounts.

Royalty income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements and is included in turnover.

Fixed asset investments

Fixed asset investments are stated at historic cost less provision for any diminution in value.

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Goodwill	10 years
----------	----------

Depreciation

Depreciation is provided on all fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	4 years
Fixtures and fittings	2 to 5 years

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

Foreign currency

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates and the exchange differences are included in the profit and loss account.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Operating Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

An analysis of turnover by geographical location is given below:

	2014 £	2013 £
Sales - UK	11,916,080	12,741,644
Royalty income - UK	42,153	6,144
Sales - Export	1,503,493	1,188,947
	<u>13,461,726</u>	<u>13,936,735</u>

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

3 Operating profit

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Operating lease rental - land and building	44,000	43,143
Foreign currency losses/(gains)	14,397	(19,248)
Profit on disposal	(9,738)	(1,891)
Depreciation of owned assets	411,145	273,343
Auditor's remuneration	<u>27,000</u>	<u>27,000</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014	2013
	£	£
Directors' remuneration (including benefits in kind)	<u>281,467</u>	<u>287,339</u>

In respect of the highest paid director:

	2014	2013
	£	£
Directors' remuneration	185,128	184,259
Company contributions to money purchase pension schemes	<u>6,759</u>	<u>13,500</u>
Emoluments of the Chairman excluding pension contributions		

	2013	2012
	£	£
Emoluments of the Chairman	<u>89,580</u>	<u>89,580</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows:

	2014	2013
	No.	No.
Money purchase	<u>1</u>	<u>1</u>

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

5 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2014 No.	2013 No.
Administration and support	3	3
Sales, marketing and distribution	30	24
	<u>33</u>	<u>27</u>

The aggregate payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	1,278,592	1,045,380
Social security costs	127,532	101,315
Staff pensions	64,273	53,339
	<u>1,470,397</u>	<u>1,200,034</u>

6 Interest payable and similar charges

	2014 £	2013 £
Interest payable	37,174	36,462
Bank interest payable	7,977	6,017
Interest on other loans	56,884	-
Other finance costs	-	40,000
	<u>102,035</u>	<u>82,479</u>

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

7 Taxation

As a result of the available trading losses brought forward the group has no liability to corporation tax arising either in the year or in 2013.

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%).

The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before taxation	543,289	415,166
Corporation tax at standard rate	116,753	96,526
Capital allowances for the period less than depreciation	30,225	13,133
Expenses not deductible for tax purposes	9,157	7,339
Trade losses not accounted for	(156,135)	(116,998)
Total current tax	-	-

The group has available tax losses amounting to £664,000 (2013: £1,394,000) to be carried forward against future trading profits. The losses are sufficient to offset any potential deferred tax liabilities.

8 Profit attributable to members of the parent company

United Breweries International (UK) Limited has not presented a company profit and loss account or cash flow statement as permitted by Section 408 of the Companies Act 2006.

The (loss)/profit retained for the year of the parent company amounted to (£357) (2013: £220).

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

9 Intangible fixed assets

Group

	Goodwill £
Cost	
At 1 January 2014	16,001
At 31 December 2014	16,001
Amortisation	
At 1 January 2014	16,000
At 31 December 2014	16,000
Net book value	
At 31 December 2014	1
At 31 December 2013	1

10 Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2014	1,346,175	46,919	1,393,094
Additions	479,510	-	479,510
Disposals	(411,532)	(46,919)	(458,451)
At 31 December 2014	1,414,153	-	1,414,153
Depreciation			
At 1 January 2014	654,944	46,919	701,863
Charge for the year	411,145	-	411,145
Eliminated on disposals	(411,532)	(46,919)	(458,451)
At 31 December 2014	654,557	-	654,557
Net book value			
At 31 December 2014	759,596	-	759,596
At 31 December 2013	691,231	-	691,231

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

11 Investments held as fixed assets

Company

	2014	2013
	£	£
Investments in subsidiary undertakings	<u>299,119</u>	<u>299,119</u>

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Kingfisher Beer Europe Limited	Ordinary	100%	The marketing and distribution of beer

12 Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Goods for resale	<u>45,080</u>	<u>14,910</u>	<u>-</u>	<u>-</u>

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

13 Debtors

	Group		Company	
Due within one year:	2014	2013	2014	2013
	£	£	£	£
Trade debtors in respect of related parties				
Amounts owed by Shepherd Neame Limited	-	3,000	-	-
Amounts owed by McDowells & Co (Scotland) Limited	13,343	12,689	13,343	12,689
Amounts owed by United Breweries Limited	12,915	603	-	-
Amounts owed by Rose Capital Ventures Limited	12,203	16,935	12,203	16,935
Trade debtors				
Other trade debtors	1,786,364	1,498,455	-	-
Amounts owed from Kingfisher Beer Europe Limited	-	-	192,623	185,549
Prepayments and accrued income				
Prepayments	288,293	221,299	-	-
Prepayments and accrued income in respect of related parties				
Heineken UK Limited	9,542	6,144	-	-
Other debtors	7,104	9,790	7,104	9,790
Loans				
Others loans	32,574	25,618	-	-
	<u>2,162,338</u>	<u>1,794,533</u>	<u>225,273</u>	<u>224,963</u>
Debtors due after one year:	2014	2013	2014	2013
	£	£	£	£
Other loans	70,752	35,453	-	-
Amounts owed from Kingfisher Beer Europe Limited	-	-	193,913	173,961
	<u>70,752</u>	<u>35,453</u>	<u>193,913</u>	<u>173,961</u>

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

14 Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	618,830	439,117	-	-
Trade creditors in respect of related parties				
Amounts owed to Shepherd Neame Limited	-	29,674	-	-
Amounts owed to United Breweries (Holdings) Limited	24,933	30,175	24,933	30,175
Amounts owed to Heineken UK Limited	959,784	1,015,540	-	-
Amounts owed to Mendocino Brewing Company Inc	65,963	85,319	-	-
Trade creditors				
Other trade creditors	236,555	92,874	-	-
Accruals				
Shepherd Neame Limited	-	12,804	-	-
Heineken UK Limited	197,186	38,380	-	-
Other	276,127	200,766	142,065	93,316
Loans				
Amounts owed to Kingfisher Beer Europe Limited	-	-	162,000	162,000
Amounts owed to Heineken UK Limited	333,333	333,333	-	-
Taxation and social security	125,564	169,902	39,493	33,301
	<u>2,838,275</u>	<u>2,447,884</u>	<u>368,491</u>	<u>318,792</u>

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

15 Creditors: Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors - amounts owed to United Breweries (Holdings) Limited	91,620	120,700	91,620	120,700
Loans - Heineken UK Limited	333,334	666,667	-	-
Trade creditors - Mendocino Brewing Company Inc	197,758	341,101	-	-
	<u>622,712</u>	<u>1,128,468</u>	<u>91,620</u>	<u>120,700</u>

16 Maturation of borrowings

Group	Bank loans and overdrafts	Loan	Total
	£	£	£
As at 31 December 2014			
In one year or less on demand	618,830	333,333	952,163
Between one and two years	-	333,334	333,334
	<u>618,830</u>	<u>666,667</u>	<u>1,285,497</u>
As at 31 December 2013			
In one year or less on demand	439,117	333,333	772,450
Between one and two years	-	333,333	333,333
Between two and five years	-	333,334	333,334
	<u>439,117</u>	<u>1,000,000</u>	<u>1,439,117</u>

Security

Bank loans and overdrafts are secured against certain trade debtors and other assets of the group under a fixed and floating charge dated 16th May 2005.

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

17 Pension schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £64,273 (2013 - £53,339).

Contributions totalling £10,184 (2013 - £19,159) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

19 Reserves

Group

	Profit and loss account £
At 1 January 2014	(1,012,848)
Profit for the year	<u>543,289</u>
At 31 December 2014	<u>(469,559)</u>

Company

	Profit and loss account £
At 1 January 2014	158,551
Loss for the year	<u>(357)</u>
At 31 December 2014	<u>158,194</u>

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

20 Reconciliation of movement in shareholders' funds

Group

	2014 £	2013 £
Profit attributable to the members of the group	<u>543,289</u>	<u>415,166</u>
Net addition to shareholders' funds	543,289	415,166
Shareholders' deficit at 1 January	<u>(912,848)</u>	<u>(1,328,014)</u>
Shareholders' deficit at 31 December	<u><u>(369,559)</u></u>	<u><u>(912,848)</u></u>

Company

	2014 £	2013 £
(Loss)/profit attributable to the members of the company	<u>(357)</u>	<u>220</u>
Net (reduction)/addition to shareholders' funds	(357)	220
Shareholders' funds at 1 January	<u>258,551</u>	<u>258,331</u>
Shareholders' funds at 31 December	<u><u>258,194</u></u>	<u><u>258,551</u></u>

21 Commitments

Operating lease commitments

Group

As at 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Land and buildings		
Within one year	29,333	-
Within two and five years	<u>-</u>	<u>44,000</u>
	<u><u>29,333</u></u>	<u><u>44,000</u></u>
Other		
Within one year	6,904	18,976
Within two and five years	<u>26,547</u>	<u>18,514</u>
	<u><u>33,451</u></u>	<u><u>37,490</u></u>

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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22 Analysis of net debt

	At 1 January 2014 £	Cash flow £	At 31 December 2014 £
Cash at bank and in hand	127,376	(73,715)	53,661
Bank overdraft	(439,117)	(179,713)	(618,830)
	<u>(311,741)</u>	<u>(253,428)</u>	<u>(565,169)</u>
Debt due within one year	(333,333)	-	(333,333)
Debt due after more than one year	(666,667)	333,333	(333,334)
Net debt	<u>(1,311,741)</u>	<u>79,905</u>	<u>(1,231,836)</u>

23 Control

The company's immediate parent undertaking is Mendocino Brewing Company Inc, a company incorporated in the United States of America.

The ultimate parent undertaking during the year was United Breweries (Holdings) Limited, "UB Tower", Level 12, 14 & 15, UB City, 24, Vittal Mallya Road, Bangalore, 560 001, India.

The smallest group into which the accounts of United Breweries International (UK) Limited have been consolidated is that headed by Mendecino Brewing Company Inc. The accounts of this company can be obtained from Mendocino Brewing Company Inc., 1601 Airport Road, Ukiah, California 95482, United States of America.

For the period under review Shepherd Neame Limited and Heineken UK Limited were related parties in accordance with FRS 8 on the basis of shared business interests.

24 Related party transactions

During the year the group undertook the following transactions on normal commercial terms with related parties:

	2014 £	2013 £
Shepherd Neame Limited		
(Significant trading partner until 9 October 2013)		
Sales	-	1,534,609
Freight Costs	-	420,584
Commission Payable	-	132,449
Purchases and other recharges	-	7,267,411
Interest payable	-	-

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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	2014	2013
	£	£
Heineken UK Limited		
(Significant trading partner from 9 October 2013)		
Purchases	7,816,517	1,921,794
Marketing and admin charges	196,507	105,255
Freight Costs	568,605	134,808
Royalties receivable	37,520	6,144
Interest payable	56,844	-
 Mendocino Brewing Company Inc.		
(Intermediate Parent company registered in the USA)		
Management charge payable	166,000	163,754
Royalties receivable	3,858	56,921
Payments under marketing agreement	-	64,020
SOX Project	10,390	15,319
 Force India Formula One Team Limited		
(A company under common control registered in the UK)		
Purchases	18,815	6,843
 McDowells & Co (Scotland) Limited		
(A company under common control registered in the UK)		
Recharges	52,496	50,778
 United Breweries Limited		
(A company under common control registered in India)		
Royalties payable	24,659	22,190
Recharges	28,996	9,024
 Whyte & Mackay Ltd		
(A company under common control registered in the UK)		
Recharges	-	39,748

United Breweries International (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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	2014	2013
	£	£
UB Global Nippon		
(A company under common control)		
Sales	120,612	141,916

Rose Capital Ventures Limited

(A company under common control registered in the Virgin Islands)

Recharges	61,813	38,947
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As a result of the trading and other activities with related parties, the following balances remained outstanding at the year end:

	2014	2013
	£	£
Amounts owed by Rose Capital Ventures Limited	12,203	16,935
Amounts owed by McDowells & Co (Scotland) Limited	13,343	12,689
Amounts owed by Shepherd Neame Limited	-	3,000
Amounts owed by Kingfisher Airlines Limited	-	-
Accrued income in respect of Heineken UK Limited	9,542	6,144
Prepayments in respect of Mendocino Brewing Company Inc	-	-
Amounts owed to Shepherd Neame Limited	-	(29,674)
Amounts owed to Mendocino Brewing Company Inc	(263,721)	(426,376)
Amounts owed to Heineken UK Limited	(959,784)	(1,015,540)
Accruals - Shepherd Neame Limited	-	(12,804)
Accruals - Heineken UK Limited	(197,186)	(38,380)
Loan from Heineken UK Limited	(666,667)	(1,000,000)
Amounts owed by United Breweries Limited	12,915	603
Amounts owed to United Breweries Limited	<u>(116,553)</u>	<u>(121,527)</u>