Aston Manor Brewery Company Limited

Annual report and consolidated financial statements

Registered number 01699439

For the year ended 31 December 2013

Contents

Strategic report	1
Directors' report	2
Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements	4
Independent auditor's report to the members of Aston Manor Brewery Company Limited	5
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated statement of total recognised gains and losses	10
Note of historical cost profits and losses	10
Consolidated cash flow statement	11
Notes	12

Strategic report

Principal activities and business review

The group's principal activities continued to be that of the production of cider and perry, and the provision of packaging services to other producers of alcoholic beverages.

The directors are satisfied with the performance of the group during the current year. Revenue for the year to 31 December 2013 increased by 7% to £128.1 million *(2012: £120.2 million)*. This marks a seventh consecutive year of significant growth for Aston Manor, which is a strong achievement in this generally flat market.

Once again, Aston Manor continued to make significant capital investments throughout the year, particularly in relation to developing our packaging capabilities at each of our sites in Tiverton and Aston, as well as our fruit pressing capability at our site in Stourport. Concurrently, Aston Manor implemented a state of the art business system, "SAP", which is now beginning to deliver real time, action oriented visibility across the organisation.

Raw material cost inflation continued to be a key challenge facing the cider industry during 2013 and whilst we are not immune to these pressures, we continue to exert tight control over these costs.

Results and dividends

The group underlying operating profit for the year was £8.9 million. *(2012: £4.1 million)*. The directors are satisfied with the marked improvement in both our branded business and our lower margin private label business.

The profit for the financial year, after taxation, amounted to £6.6 million *(2012: £1.8 million)*. Based on our performance in the year and the Board's confidence in the ongoing strength of the Group, a dividend of £1 million was paid in the year *(2012: £1 million)*.

EBITDA for the financial year amounted to £10.5 million *(2012: £6.1 million)*.

Cash inflow from operating activities amounted to £6.8 million *(2012: £7.8 million)*.

Outlook

In 2014 we are continuing to invest extensively in capital across all of our production facilities. All of this investment contributes to the continuous improvement in the quality of our products and the efficiency of their production.

Industry wide cider volumes are contracting in 2014. By maintaining a diverse portfolio of products and customers, we minimise our risk from over indexing against this trend. As such, the Board is confident in the continued success of the group into 2014 and beyond.

Principal risks and uncertainties

In this industry, there is always uncertainty as to which direction the government takes their alcohol strategy next, and therefore we are continually represented at government through our industry trade body, The National Association of Cider Makers. The other principal risk to the business is the volatility of raw material costs, and we mitigate this through the arrangement of a series of short, medium and long term supply contracts

People

Here at Aston Manor, we have great people whose enthusiasm, ideas and hard work are crucial to the success of our Group. The Board would like to thank all of our employees for their continued contribution.

Approved by the board of directors on 30 July 2014 and signed on its behalf by:

JD Ellis
Finance Director and Company Secretary

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

Dividends

Dividends paid during the year comprise a final dividend of £1,000,000 in respect of the year ended 31 December 2012 *(2012 in respect of 2011: £1,000,000)*

Directors

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

HD Ellis
PD Ellis
KR McGrath
JD Ellis
P Clifford
M Stringer
RP Clifford
G Johncox
G Friel (appointed 1 July 2013)

Financial risk management objectives and policies

The Group uses financial instruments including cash, borrowings and receivables financing, the main purpose of which are to raise finance for the Group's activities. It is the Group's policy not to enter into trading of a speculative nature in respect of financial instruments.

Price risk

The Group is exposed to price risk on its raw material purchases. The Group aims to purchase raw materials through a blend of long term, medium term and spot market contracts, reducing exposure to price volatility.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit, using information supplied by independent rating agencies where available. At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Taxation Risk

As a producer of alcoholic beverages, the Group is exposed to the risk of rises in excise duty and associated legislation on its products. The Group's diverse portfolio of products does mitigate some of this risk, and in addition, the group is represented at various trade bodies, and in particular the "National Association of Cider Makers" (NACM).

Cash flow and liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they fall due. The Group ensures that there are sufficient levels of committed facilities, cash and cash equivalents to ensure that the group is, at all times, able to meet its financial commitments. Liquidity risk is managed by continuous monitoring of forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. The Group has no significant interest bearing assets and consequently, its income and cash flows are largely independent of changes in market interest rates. All interest bearing borrowings comprising of bank overdrafts and bank loans have variable interest rates based upon the bank base rate and are therefore subject to fluctuations in such rates. The Group does not use interest rate swaps or other instruments to manage its interest rate exposure.

Directors' report *(continued)*

Employee involvement

The group has continued its practice of keeping employees informed of matters affecting them as employees and of the financial and economic factors affecting the performance of the Group.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

In the event of an employee becoming disabled, every effort is made to retrain employees in order that their employment with the group may continue. It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

Political and charitable contributions

The group made no political donations or incurred any political expenditure during the year *(2012: £Nil)*. The group made charitable donations of £33,487 during the year *(2012: £36,226)*.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

Approved by the board of directors on 30 July 2014 and signed on its behalf by:

JD Ellis
Finance Director and Company Secretary

173 Thimble Mill Lane
Aston
Birmingham
B7 5HS

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 they have elected to prepare the group and the parent company financial statements in accordance with UK Accounting Standards, and applicable law (UK Generally Accepted Accounting Practice).

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 parent company and of their profit or loss for that period.

In preparing each of the group and parent company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time, the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Aston Manor Brewery Company Limited

We have audited the financial statements of Aston Manor Brewery Company Limited for the year ended 31 December 2013 set out on pages 7 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 directors' responsibilities statement 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic report and 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 Aston Manor Brewery Company 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.

Ian Greaves (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

30 July 2014

Consolidated profit and loss account

for the year ended 31 December 2013

	Note	2013	2012
		£	£
Turnover	2	**128,087,509**	120,227,979
Cost of sales		**(110,838,593)**	(106,078,815)
Gross profit		**17,248,916**	14,149,164
Distribution costs		**(5,008,417)**	(7,132,152)
Administrative expenses		**(3,374,798)**	(3,832,108)
Operating profit		**8,865,701**	3,184,904
Analysed as:			
Non-recurring items	4	**-**	(877,991)
Underlying operating profit*		**8,865,701**	4,062,895
Operating profit		**8,865,701**	3,184,904
Interest payable and similar charges	5	**(429,172)**	(500,082)
Profit on ordinary activities before taxation	3	**8,436,529**	2,684,822
Tax on profit on ordinary activities	9	**(1,800,186)**	(845,608)
Profit for the financial year	24	**6,636,343**	1,839,214

*underlying operating profit represents operating profit excluding exceptional items.

All of the company's operations are derived from continuing activities.

The notes on pages 12 to 29 form part of these financial statements.

Consolidated balance sheet
at 31 December 2013

	Note	2013 £	£	2012 £	£
Fixed assets					
Intangible assets	*10*		-		-
Tangible asstes	*11*		**19,623,107**		16,216,230
Investments	*12*		**250**		250
			19,623,357		16,216,480
Current assets					
Stocks	*13*	**6,984,824**		5,857,974	
Debtors	*14*	**26,294,923**		22,843,778	
Cash at bank and in hand		**1,995,115**		1,714,334	
		35,274,862		30,416,086	
Creditors: Amounts falling due within one year	*15*	**(31,903,040)**		(29,798,237)	
Net current assets			**3,371,822**		617,849
Total assets less current liabilities			**22,995,179**		16,834,329
Creditors: Amounts falling due after more than one year	*16*		**(8,193,742)**		(7,510,108)
Provisions for liabilities	*20*		**(960,531)**		(920,934)
Net assets			**13,840,906**		8,403,287
Capital and reserves					
Called up equity share capital	*23*		**183,672**		183,672
Share premium account	*24*		**20,000**		20,000
Revaluation reserve	*24*		**1,001,993**		1,499,394
Other reserves	*24*		**320,254**		320,254
Profit and loss account	*24*		**12,314,987**		6,379,967
Shareholders' funds	*25*		**13,840,906**		8,403,287

The notes on pages 12 to 29 form part of these financial statements.

These financial statements were approved by the board of directors on 30 July 2014 and were signed on its behalf by:

JD Ellis
Finance Director

Registered number: 01699439

Company balance sheet
at 31 December 2013

	Note	**2013**		2012	
		£	**£**	£	£
Fixed assets					
Intangible assets	*10*		**-**		-
Tangible assets	*11*		**16,600,607**		13,116,230
Investments	*12*		**252**		252
			16,600,859		13,116,482
Current assets					
Stocks	*13*	**6,984,824**		5,857,974	
Debtors	*14*	**27,677,919**		24,298,212	
Cash at bank and in hand		**1,995,115**		1,714,334	
		36,657,858		31,870,520	
Creditors: Amounts falling due within one year	*15*	**(31,676,793)**		(29,548,989)	
Net current assets			**4,981,065**		2,321,531
Total assets less current liabilities			**21,581,924**		15,438,013
Creditors: Amounts falling due after more than one year	*16*		**(7,156,242)**		(6,322,608)
Provisions for liabilities	*20*		**(932,651)**		(895,060)
Net assets			**13,493,031**		8,220,345
Capital and reserves					
Called up equity share capital	*23*		**183,672**		183,672
Share premium account	*24*		**20,000**		20,000
Revaluation reserve	*24*		**1,001,993**		1,499,394
Other reserves	*24*		**320,254**		320,254
Profit and loss account	*24*		**11,967,112**		6,197,025
Shareholders' funds	*25*		**13,493,031**		8,220,345

The notes on pages 12 to 29 form part of these financial statements.

These financial statements were approved by the board of directors on 30 July 2014 and were signed on its behalf by:

JD Ellis

Finance Director

Registered number: 01699439

Consolidated statement of total recognised gains and losses
for the year ended 31 December 2013

	2013 £	2012 £
Profit for the financial year	**6,636,343**	1,839,214
Unrealised surplus on revaluation of plant and machinery	**-**	626,072
Losses on disposal not charged to profit for the financial year	**(198,724)**	-
Total recognised gains and losses relating to the financial year	**6,437,619**	2,465,286

Note of historical cost profits and losses
for the year ended 31 December 2013

	2013 £	2012 £
Reported profit on ordinary activities before taxation	**8,436,529**	2,684,822
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	**298,677**	951,664
Historical cost profit on ordinary activities before taxation	**8,737,200**	3,636,486
Historical cost profit for the year retained after taxation and dividends	**5,937,014**	1,790,878

The notes on pages 12 to 29 form part of these financial statements.

Consolidated cash flow statement
for the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	*26*	**6,756,036**	7,849,175
Returns on investments and servicing of finance	*26*	**(313,591)**	(397,944)
Taxation		**(1,319,354)**	-
Capital expenditure and financial investment	*26*	**(4,850,814)**	(2,463,633)
Equity dividends paid		**(1,000,000)**	(1,000,000)
Cash outflow/(inflow) before financing		**(727,723)**	3,987,598
Financing	*26*	**(673,004)**	(2,982)
(Decrease)/increase in cash	*26*	**(1,400,727)**	3,984,616

Note: There were no tax payments in 2012 due to excess tax payments made in 2011 which were subsequently reallocated against 2012 tax expense.

The notes on pages 12 to 29 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention, modified to include the revaluation of all fixed assets.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review in the Strategic report. The financial position of the company is shown in the balance sheet. The company's cash flows and liquidity position are described in the cash flow statement. The borrowing facilities of the company are described in note 17. In addition, the directors' report include the company's objective its financial risk management objectives and its exposures to credit risk and liquidity risks.

The directors consider that the company has sufficient available financial resources and has long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2013. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Government grants

Capital based government grants are included within provisions for liabilities in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to £Nil by equal annual instalments over its estimated useful life of 4 years.

Investments

Investments in subsidiary undertakings are stated at cost less amounts written off.

Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost. The company adopts a policy of revaluation on all classes of tangible fixed assets.

Depreciation is provided to write off the cost or valuation, less its estimated residual value equal instalments, over their estimated useful economic lives as follows:

Notes *(continued)*

1 Accounting policies *(continued)*

Freehold properties	-	40 years
Plant and machinery	-	4-10 years
Fixtures and fittings	-	3-10 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads. Provision is made for any foreseeable losses where appropriate.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 otherwise required by FRS 19.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year, exclusive of value added tax and net of volume related override discounts.

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the Group.

An analysis of turnover is given below:

	2013	2012
	£	£
United Kingdom	**124,400,831**	115,911,719
Rest of Europe	**2,693,372**	3,234,127
Rest of world	**993,306**	1,082,133
	128,087,509	120,227,979

Notes *(continued)*

3 Notes to the profit and loss account

	2013	2012
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Amortisation:		
Government grants	**-**	105,500
Intangible fixed assets	**-**	137,500
Depreciation:		
Owned tangible fixed assets	**1,640,339**	1,821,987
Impairment of tangible fixed assets	**-**	877,991
Operating leases		
Land and buildings	**101,793**	-
Auditor's remuneration:		
Audit of these financial statements	**45,000**	22,750
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**1,000**	1,000
Other services relating to taxation	**7,500**	7,500
Other audit services	**2,500**	-

4 Non-recurring items

Non-recurring items include:

	2013	2012
	£	£
Impairment	**-**	877,991

Impairment of tangible fixed assets

During 2012, the valuers, Colliers CRE and Charterfields International Asset Consultants, reviewed the carrying value of the tangible fixed assets at the balance sheet date as required by FRS 15 "Tangible fixed assets". This resulted in an impairment of £877,991, charged to the profit and loss account and an unrecognised surplus of £626,072 credited to the revaluation reserve.

5 Interest payable and similar charges

	2013	2012
	£	£
Bank loans and overdrafts	**313,591**	397,944
Unsecured loans	**115,581**	102,138
	429,172	500,082

Notes *(continued)*

6 Staff numbers and costs

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

	Number of employees	
	2013	2012
Production	**155**	151
Distribution	**46**	44
Administrative	**49**	46
	250	241

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	**7,668,850**	6,587,123
Social security costs	**753,929**	660,896
Other pension costs	**104,062**	83,312
	8,526,841	7,331,331

7 Remuneration of directors

The remuneration of the directors was as follows:

	2013	2012
	£	£
Remuneration receivable	**1,492,053**	943,633
Value of company pension contributions to money purchase schemes	**104,062**	83,312
	1,596,115	1,026,945

The aggregate emoluments (including benefits) of the highest paid director were £407,813 *(2012: £271,352)* and the company made pension contributions of £39,375 *(2012: £35,000)* on his behalf.

The number of directors who are members of pension schemes are as follows:

	Number	
	2013	2012
Money purchase schemes	**7**	4

8 Dividends

The aggregate amount of dividends comprises:

	2013	2012
	£	£
Final dividends paid in respect of prior year but not recognised as liabilities in that year	**1,000,000**	1,000,000

9 Taxation

Analysis of charge for the year

	2013 £	£	2012 £	£
UK corporation tax				
Current tax on income for the year	**1,768,038**		885,920	
Adjustments in respect of prior year	**(7,449)**		(40,694)	
Total current tax		**1,760,589**		845,226
Deferred tax (see note 20)				
Origination and reversal of timing differences	**159,641**		54,621	
Effect of law changes	**(120,134)**		(75,332)	
Adjustments in respect of prior years	**90**		21,093	
		39,597		382
Tax on profit on ordinary activities		**1,800,186**		845,608

Factors affecting the tax charge for the year

The current tax charge for the year is lower *(2012: higher)* than the standard rate of corporation tax in the UK of 23.25% *(2012: 24.5%)*. The differences are explained below:

	2013 £	2012 £
Current tax reconciliation		
Profit on ordinary activities before tax	**8,438,523**	2,684,822
Current tax at 23.25% *(2012: 24.5%)*	**1,961,956**	657,781
Effects of:		
Expenses not deductible for tax purposes	**14,947**	225,484
Additional deduction for R&D expenditure	**(32,681)**	(2,322)
Capital allowances for period in (excess of)/less than depreciation	**(151,855)**	33,456
Depreciation on ineligibles less IBAs	**(46,660)**	(25,845)
Increase/(decrease) in other timing differences	**22,330**	(2,634)
Adjustments in respect of prior periods	**(7,449)**	(40,694)
Total current tax charge (see above)	**1,760,588**	845,226

Factors that may affect future charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Notes *(continued)*

10 Intangible assets

Group and Company

	Goodwill
	£
Cost	
At beginning and end of year	700,002
Amortisation	
At beginning of year	562,502
Charge for year	137,500
At end of year	700,002
Net book value	
At 31 December 2012	**-**
At 31 December 2011	137,500

11 Tangible fixed assets

Group

	Freehold property	**Plant and machinery**	**Fixtures and fittings**	**Assets in course of construction**	**Total**
	£	**£**	**£**	**£**	**£**
Cost or valuation					
At beginning of year	5,215,000	10,129,450	365,550	506,230	16,216,230
Additions	-	626,012	68,032	4,551,896	5,245,940
Disposals	-	(220,501)	-	-	(220,501)
Transfers	4,168	3,203,530	477,442	(3,685,140)	-
At end of year	5,219,168	13,738,491	911,024	1,372,986	21,241,669
Depreciation					
At beginning of year	-	-	-	-	-
Charge for the year	130,410	1,374,354	135,575	-	1,640,339
Disposals	-	(21,777)	-	-	(21,777)
At end of year	130,410	1,352,577	135,575	-	1,618,562
Net book value					
At 31 December 2013	**5,088,758**	**12,385,914**	**775,449**	**1,372,986**	**19,623,107**
At 31 December 2012	5,215,000	10,129,450	365,550	506,230	16,216,230

The Group had capital commitments at 31 December 2013 of £973,795 *(2012: £Nil)*.

Included in the total net book value of plant and machinery is £395,126 *(2012: £Nil)* in respect of assets held under finance leases. Depreciation for the year on these assets was £17,114 *(2012: Nil)*.

Notes *(continued)*

11 Tangible fixed assets *(continued)*

Fixed assets stated at valuation

The group's fixed assets were last valued at 31 December 2012 by external surveyors. Colliers CRE valued the group's freehold property and Charterfields International Asset Consultants undertook a valuation of the group's plant and machinery and fixtures and fittings.

The basis on which the valuations took place was an estimation of the price at which an interest in the fixed assets utilised in the business could have been transferred at the date of valuation.

Company

	Freehold property	Plant and machinery	Fixtures and fittings	Assets in course of construction	Total
	£	£	£	£	£
Cost or valuation					
At beginning of year	2,115,000	10,129,450	365,550	506,230	13,116,230
Additions	-	626,012	68,032	4,551,896	5,245,940
Disposals	-	(220,501)	-	-	(220,501)
Transfers	4,168	3,203,530	477,442	(3,685,140)	-
At end of year	2,119,168	13,738,491	911,024	1,372,986	18,141,669
Depreciation					
At beginning of year	-	-	-	-	-
Charge for the year	52,910	1,374,354	135,575	-	1,562,839
Disposals	-	(21,777)	-	-	(21,777)
At end of year	52,910	1,352,577	135,575	-	1,541,062
Net book value					
At 31 December 2013	**2,066,258**	**12,385,914**	**775,449**	**1,372,986**	**16,600,607**
At 31 December 2012	2,115,000	10,129,450	365,550	506,230	13,116,230

The company had capital commitments at 31 December 2013 of £973,795 *(2012: £Nil)*.

Included in the total net book value of plant and machinery is £395,126 *(2012: £Nil)* in respect of assets held under finance leases. Depreciation for the year on these assets was £17,114 *(2012: £Nil)*.

Fixed assets stated at valuation

The company's fixed assets were last valued at 31 December 2012 by external surveyors. Colliers CRE valued the company's freehold property and Charterfields International Asset Consultants undertook a valuation of the company's plant and machinery and fixtures and fittings.

The basis on which the valuations took place was an estimation of the price at which an interest in the fixed assets utilised in the business could have been transferred at the date of valuation.

Notes *(continued)*

12 Investments

Group

	Other investments other than loans £
Cost and net book value	
At beginning and end of year	250

Company

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost and net book value			
At beginning and end of year	2	250	252

The principal undertakings in which the Company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Percentage of shares held	Class of shares
Subsidiary undertakings				
Aston Manor Freeholds Limited	UK	Property company	100%	Ordinary

13 Stocks

	Group and Company 2013 £	2012 £
Raw materials	**2,816,646**	2,590,430
Work in progress	**2,013,485**	1,604,502
Finished goods	**2,154,693**	1,663,042
	6,984,824	5,857,974

Notes *(continued)*

14 Debtors

	Group 2013 £	2012 £	Company 2013 £	2012 £
Trade debtors	**25,699,901**	22,454,499	**25,699,901**	22,454,499
Amounts owed by group undertakings	**-**	-	**1,382,996**	1,454,434
Other debtors	**10,495**	-	**10,495**	-
Prepayments and accrued income	**584,527**	389,279	**584,527**	389,279
	26,294,923	22,843,778	**27,677,919**	24,298,212

15 Creditors: Amounts falling due within one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Bank loans and overdrafts (secured – see note 17)	**11,609,223**	9,927,715	**11,459,223**	9,777,715
Trade creditors	**10,915,637**	10,855,441	**10,915,637**	10,855,440
Corporation tax	**1,044,411**	603,176	**983,164**	518,928
Other taxation and social security	**3,536,176**	4,020,971	**3,521,176**	4,005,971
Other loans (unsecured)	**1,746,637**	2,671,593	**1,746,637**	2,671,593
Hire purchase leases	**79,025**	-	**79,025**	-
Accruals and deferred income	**2,971,931**	1,719,341	**2,971,931**	1,719,342
	31,903,040	29,798,237	**31,676,793**	29,548,989

The bank borrowings are secured by a fixed and floating charge on all of the company's assets.

16 Creditors: Amounts falling due after more than one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Bank loans (secured – see note 17)	**4,608,535**	5,262,039	**3,571,035**	4,074,539
Other loans (unsecured)	**3,269,106**	2,248,069	**3,269,106**	2,248,069
Hire purchase leases	**316,101**	-	**316,101**	-
	8,193,742	7,510,108	**7,156,242**	6,322,608

Notes *(continued)*

17 Borrowings

	Group 2013 £	2012 £	Company 2013 £	2012 £
Amounts in respect of receivables financing:				
Due within one year	**10,900,932**	8,701,025	**10,900,932**	8,701,025
Bank loans and overdraft:				
Due within one year	**708,291**	1,226,690	**558,291**	1,076,690
Due within one to two years	**3,721,035**	4,153,648	**3,571,035**	4,003,648
Due within two to five years	**450,000**	520,891	**-**	70,891
Due after five years	**437,500**	587,500	**-**	-
	5,316,826	6,488,729	**4,129,326**	5,151,229
Other loans				
Due within one year	**1,746,637**	2,671,593	**1,746,637**	2,671,593
Due within one to two years	**1,634,553**	2,248,069	**1,634,553**	2,248,069
Due within two to five years	**1,634,553**	-	**1,634,553**	-
	5,015,743	4,919,662	**5,015,743**	4,919,662
Hire purchase leases				
Due within one year	**79,025**	-	**79,025**	-
Due within one to two years	**79,025**	-	**79,025**	-
Due within two to five years	**237,076**	-	**237,076**	-
	395,126	-	**395,126**	-
Total borrowings	**21,628,627**	20,109,416	**20,441,127**	18,771,916

The Group has a maximum facility of £16,500,000 available from a commercial bank. This includes a receivables financing arrangement of £13,000,000 and a term loan of £3,500,000 as detailed below.

The Group is engaged in a receivables financing arrangement with a commercial bank under which the book debts of the company have been purchased by the bank. As at 31 December 2013, the maximum facility available was £13,000,000 *(2012: £13,000,000)*. Interest is charged at a rate of 1.75% above the Bank of England base rate.

The bank loans comprise loans for the purchase of property, plant and machinery and a term loan of £3,500,000. The loans for the purchase of property, plant and machinery are secured on the assets to which they relate. Interest is charged at rates of 2.0% above the Bank of England base rate. The term loan is repayable on or before 31 May 2015. Interest on the term loan is charged at a rate of 1.75% above the Bank of England base rate.

The unsecured loans comprise loans from shareholders of the Group and a third party. There is no fixed date for repayment of balances which are due after more than 12 months. Interest is charged at a rate of 2.0% above the Bank of England base rate. See note 28 for further details on the unsecured loans.

Notes *(continued)*

18 Employee share schemes

Enterprise Management Incentives Scheme

Share options are awarded to certain employees of the company under the Enterprise Management Incentives scheme.

Grant date	**Method of settlement accounting**	**Number of instruments**	**Expiry date**
Equity-settled award to key management granted on 15 February 2012	Equity	1,820	14 February 2020
Equity-settled award to key management granted on 26 February 2012	Equity	294	25 February 2020

Share based payments

The options are only exercisable if the value of company exceeds £25 million at the earliest of:

(a) date of a change of control;

(b) notice of a takeover; or

(c) flotation.

The directors of the company do not believe the vesting conditions will be met during the contractual life of the options, therefore, no FRS 20 charge has been recognised during the year. The directors will review this assumption on an ongoing basis.

Growth Share Scheme

"A" ordinary shares are held by certain employees giving them the right to participate in the growth in value of the Company.

Grant date	**Method of settlement accounting**	**Number of instruments**	**Expiry date**
Equity-settled award to key management granted on 13 December 2012	Equity	4,500	1 January 2028

Share based payments

The options are only exercisable if the value of company exceeds £40 million at the earliest of:

(a) a Change of Control;

(b) a Listing;

(c) the liquidation of the Company; or

(d) 1 January 2028;

No FRS 20 charge has been recognised during the year on the basis that the fair value of the shares at the grant date and the number of shares is not considered material.

Notes *(continued)*

19 Pensions

The company operates a defined contribution scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions charged in the year amounted to £104,062 *(2012: £83,212)*. The amount outstanding at 31 December 2013 was £115,374 *(2012: £31,717)*.

20 Provisions for liabilities

Group

	Deferred taxation £
At beginning of year	920,934
Charge to the profit and loss for the year (see note 9)	39,597
At end of year	**960,531**

The elements of deferred taxation are as follows:

	2013 £	2012 £
Difference between accumulated depreciation and capital allowances	**983,606**	925,376
Other timing differences	**(23,075)**	(4,442)
	960,531	920,934

Company

	Deferred taxation £
At beginning of year	895,060
Charge to the profit and loss for the year (see note 9)	37,591
At end of year	**932,651**

The elements of deferred taxation are as follows:

	2013 £	2012 £
Differences between accumulated depreciation and capital allowances	**955,726**	899,502
Other timing differences	**(23,075)**	(4,442)
	932,651	895,060

Notes *(continued)*

21 Commitments under operating leases

Group

At 31 December 2013, the Group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2013 £	2012 £
Operating leases which expire:		
Within one year	**13,500**	-
Within two to five years	**72,497**	18,000
	85,997	18,000

Company

At 31 December 2013, the Company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2013 £	2012 £
Operating leases which expire:		
Within one year	**13,500**	-
Within two to five years	**72,497**	-
After more than five years	**300,000**	168,000
	385,997	168,000

22 Other comments

Aston Manor Brewery has begun to contract with Hereford fruit growers to grow apples for them from 2014. The company has entered into 24 contacts. These contracts are a commitment to buy fruit from 1000 acres of orchard on 25 year contracts.

23 Share capital

	2013 £	2012 £
Allotted, called up and fully paid:		
183,222 ordinary shares of £1 each	**183,222**	183,222
4,500 "A" ordinary shares of £0.10 each	**450**	450
	183,672	183,672

Notes *(continued)*

24 Share premium and reserves

Group

	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss account £
At beginning of year	20,000	1,499,394	320,254	6,379,967
Profit for the financial year	-	-	-	6,636,343
Equity dividends	-	-	-	(1,000,000)
Transfer of excess depreciation	-	(298,677)	-	298,677
Loss on disposal	-	(198,724)	-	-
At end of year	**20,000**	**1,001,993**	**320,254**	**12,314,987**

Company

	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss account £
At beginning of year	20,000	1,499,394	320,254	6,197,025
Profit for the financial year	-	-	-	6,471,410
Equity dividends	-	-	-	(1,000,000)
Transfer of excess depreciation	-	(298,677)	-	298,677
Loss on disposal	-	(198,724)	-	-
At end of year	**20,000**	**1,001,993**	**320,254**	**11,967,112**

25 Reconciliation of movements in shareholders' funds

Group

	2013 £	2012 £
Profit for the financial year	**6,636,343**	1,839,214
Equity dividends	**(1,000,000)**	(1,000,000)
Retained profit	**5,636,343**	839,214
Other recognised gains and losses relating to the year	**(198,724)**	626,072
New share capital subscribed	**-**	450
Net addition to shareholders' funds	**5,437,619**	1,465,736
Opening shareholders' funds	**8,403,287**	6,937,551
Closing shareholders' funds	**13,840,906**	8,403,287

Notes *(continued)*

25 Reconciliation of movements in shareholders' funds *(continued)*

Company

	2013 £	2012 £
Profit for the financial year	**6,471,410**	1,744,018
Equity dividends	**(1,000,000)**	(1,000,000)
Retained profit	**5,471,410**	744,018
Other recognised gains and losses relating to the year	**(198,724)**	626,072
New share capital subscribed	**-**	450
Net addition to shareholders' funds	**5,272,686**	1,370,450
Opening shareholders' funds	**8,220,345**	6,849,805
Closing shareholders' funds	**13,493,031**	8,220,345

26 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	**8,865,701**	3,184,904
Amortisation	**-**	137,500
Depreciation	**1,640,339**	1,821,987
Impairment	**-**	877,991
Amortisation of government grants	**-**	(5,275)
Increase in stocks	**(1,126,850)**	(420,908)
(Increase)/decrease in debtors	**(3,451,145)**	2,823,763
Increase/(decrease) in creditors	**827,991**	(470,562)
Increase/(decrease) in provisions	**-**	(100,225)
Net cash inflow from operating activities	**6,756,036**	7,849,175

Returns on investments and servicing of finance

	2013 £	2012 £
Interest paid	**(313,591)**	(397,944)
Net cash outflow from returns on investment and servicing of finance	**(313,591)**	(397,944)

Notes *(continued)*

26 Notes to the cash flow statement *(continued)*

Capital expenditure and financial investment

	2013	2012
	£	£
Payments to acquire:		
Tangible fixed assets	**(4,850,814)**	(2,463,633)
Net cash outflow for capital expenditure and financial investment	**(4,850,814)**	(2,463,633)

Financing

	2013	2012
	£	£
Repayment of bank loans	**(653,504)**	(652,743)
New unsecured loans	**997,713**	997,713
Repayment of unsecured loans	**(1,017,213)**	(348,402)
New share capital subscribed	**-**	450
Net cash outflow from financing	**(673,004)**	(2,982)

Reconciliation of net cash flow to movement in net debt

	2013		2012	
	£	**£**	£	£
(Decrease)/increase in cash in the period	**(1,400,727)**		3,984,616	
Net cash outflow from bank loans	**653,504**		652,743	
Net cash outflow/(inflow) from unsecured loans	**19,500**		(649,311)	
Net cash inflow from hire purchase leases	**(395,126)**		-	
		(1,122,849)		3,988,048
Non-cash movement		**(115,581)**		(102,138)
Change in net debt		**(1,238,430)**		3,885,910
Net debt at 1 January 2013		**(18,395,082)**		(22,280,992)
Net debt at 31 December 2013		**(19,633,512)**		(18,395,082)

Notes *(continued)*

26 Notes to the cash flow statement *(continued)*

Analysis of changes in net debt

	At 1 January 2013	Cash flows	Non-cash movement	At 31 December 2013
	£	£	£	**£**
Net cash:				
Cash at bank and in hand	1,714,334	280,781	-	**1,995,115**
Overdrafts	(9,274,211)	(1,681,508)	-	**(10,955,719)**
	(7,559,877)	(1,400,727)	-	**(8,960,604)**
Debt:				
Due within one year	(3,325,097)	1,040,537	(115,581)	**(2,400,141)**
Due after one year	(7,510,108)	(367,533)	-	**(7,877,641)**
Finance leases	-	(395,126)	-	**(395,126)**
	(10,835,205)	277,878	(115,581)	**(10,672,908)**
Net debt	(18,395,082)	(1,122,849)	(115,581)	**(19,633,512)**

Non-cash movements relate to accrued interest on the unsecured loans.

27 Post balance sheet events

On 27 June 2014, the Group purchased a new distribution centre in Birmingham close to its existing production facilities.

On 15 May 2014, 3,002 "A" ordinary shares of £0.10 were repurchased by the Company, the remaining 1,498 "A" ordinary shares of £0.10 were sub-divided into 8,560 "A" ordinary shares of 1.75p. On 30 May 2014, a further 17,728 "A" ordinary shares of 1.75p were issued by the Company.

28 Related party transactions

Group and Company

Directors who are also company shareholders collectively received dividends from the company in the sum of £641,047 during the year *(2012: £641,047)*.

Included in creditors (see notes 15 and 16) are unsecured loans from directors amounting to £4,086,756 *(2012: £3,543,112)* which includes accrued interest. Interest is charged at 2% above the Bank of England base rate.

	Amounts due within one year		**Amount due in more than one year**		**Interest charged in the year**	
	2013	2012	**2013**	2012	**2013**	2012
	£	£	**£**	£	**£**	£
HD Ellis	**817,276**	1,941,223	**3,269,105**	1,550,385	**92,315**	72,323
PD Ellis	**375**	51,504	**-**	-	**-**	1,875

Notes *(continued)*

28 Related party transactions and ultimate controlling party *(continued)*

G Friel is a director of Cool Apple Limited, a company registered in England. Cool Apple Limited is a supplier to Aston Manor Brewery.

During the financial year ended 31 December 2013, Aston Manor Brewery Company Limited paid £64,823 *(2012: £2,333)* to Cool Apple Limited.

At 31 December 2013, Aston Manor Brewery Company Limited owed £Nil *(2012: £Nil)* to Cool Apple Limited.

Rod Clifford is a director of the Company. During the year ended 31 December 2013, Aston Manor Brewery Company Limited paid £201 *(2012: £Nil)* to Rod Clifford for the purchase of apples.

At 31 December 2013, Aston Manor Brewery Company Limited owed £Nil to Rod Clifford.

29 Ultimate controlling party

The directors consider the ultimate controlling party to be HD Ellis, by virtue of his shareholding in Aston Manor Brewery Company Limited.