Aston Manor Limited

Annual report and consolidated financial statements

Registered number 01699439

For the year ended 31 December 2018

Contents

Strategic report

Strategic Management

The directors present their Strategic Report on the Group for the year ended 31 December 2018.

Principal activities and business review

The Group's principal activity continues to be that of the production of cider and perry, serving a diversified portfolio of customers across a variety of sales channels, with a range of branded, exclusive and private label products.

Vision and Mission

"To be recognised as the most capable, progressive & professional cider company delivering sustainable success for our customers, our suppliers, and our business" by "creating the highest quality products and providing excellent customer service through outstanding people and continuous investment in manufacturing capability."

Company Strategy

The company has been working hard on its long-term strategy for a number of years. Included within this strategy was securing the long-term funding and ownership structure of the company. The company was formed and grown substantially under the leadership of the Ellis family for many years into both a large and successful company, employing circa 300 staff running its facilities in Aston (Birmingham), Tiverton (Devon), Stourport-on-Severn and Witton (Birmingham). In order both to secure the future of the company, and to secure its continued success and expansion in the future, it was identified that we needed to find new ownership for the company. In 2017 we started the process to identify potential long-term partners for the business. Through a comprehensive process we identified a partner with whom the company's strategy, vision, mission and values were incredibly well aligned and with whom we considered that the company's future would be secure and successful. This process culminated in the acquisition of the company by Agrial S.A on 7 August 2018. This acquisition has been a key focus throughout the financial year ended 31 December 2018 both from a strategic and financial point of view. Whilst many hours of hard work were put into the process leading into the acquisition, since then we have been working on integrating the business into the Agrial Group with the usual Aston Manor commitment and energy. We are delighted to have found such a well aligned owner with whom we are already making great progress in identifying and securing synergies for one another.

Business Environment

Cider Market

The cider market in the UK has undertaken significant changes within the last 12 months.

The retail sector remains under significant pressure. We have seen Palmer & Harvey and Matthew Clarke enter administration and Blakemore Cash & Carry cease trading.

To maintain commercial stability and strength within this changing marketplace, customer consolidation has been seen throughout the grocery, wholesale and convenience sectors through:

- McColls acquiring 300 Co-op stores
- Morrisons suppling the McColls group
- Tesco/One Stop acquiring Booker Cash & Carry
- Bargain Booze (Matthew Clark) acquired by Bestway Cash & Carry
- Bestway acquiring Central Convenience
- Co-op purchasing NISA Wholesale
- NISA Wholesale win supply contract to Costcutter
- Todays & Landmark buying Groups merge
- Tesco launching Jacks discounter

Strategic report *(continued)*

Business Environment *(continued)*

Cider Market *(continued)*

May 2018 saw the launch of Minimum Unit Pricing (MUP) in Scotland which was introduced to tackle problem drinking habits. We have been working with a number of industry and research bodies to assess the impact that this new legislation has had, and to identify ways in which Aston Manor can support the industry in this trial period of change. We look forward to receiving further feedback from this innovative initiative within the industry and to work together with our customers to support its implementation.

Brexit

It would be remiss of us not to mention the topic that continues to dominate our news headlines. At the point of writing this report, the outcome of Brexit remains unclear and uncertain which has been deeply disappointing in providing a lack of strategic direction for the company to manage. As a company, we have introduced a working party of senior managers to continue to monitor the situation and have undertaken an internal assessment of the potential impact of the various Brexit scenarios which could occur. We continue to work towards risk managing these various scenarios in order to manage the potential additional external costs, as well as internal administration costs, which could impact on us. We continue to support the government in its efforts to find a way forward that will continue to support the continuity of trade within the EU, and the management of border customs controls which our customers remain fearful will impact on the continuity of supply, and cost, of products available for sale to consumers.

Alcohol Duty

2018 has been a topical year for cider duty, with the Chancellor confirming in his Budget 2018 that he would be introducing a new mid-strength cider band for still cider and perry of at least 6.9% but not exceeding 7.5% ABV with effect from 1st February 2019. The lead time prior to implementation has allowed us to work with both our Customers and Consumers to assess their appetite for a reduction in ABV of the affected traditional higher strength products versus an increase in cost of maintaining the ABV. We have been working hard in the intervening period to align a product range which will continue to serve our customers the quality cider drink of their choice. This change came into effect on 1st February 2019 and we were well prepared for the changeover.

Manufacturing Standards

The company continues to remain focused on achieving manufacturing excellence across all manufacturing disciplines and sites, investing in facilities and rigorously implementing the best working practices. We are pleased to confirm that our sites remain highly rated by the British Retail Consortium (BRC) with both our Aston and Tiverton sites remaining rated at AA* (the highest rating available) for the fourth and third years in a row respectively. Our Stourport-on-Severn site remains rated as AA for the third year in a row which is the highest rating available due to the seasonal nature of this site's operations.

Since the publication of the BRC's issue 8 on 1 August 2018 we have been working hard to review the changes in standards and integrating these into our day-to-day manufacturing processes and practices. We are well prepared for being audited against these new standards in 2019.

During the summer of 2018, a national CO_2 shortage caused significant disruption within the alcohol industry. Cider and Aston Manor were no exceptions to this disruption, albeit the impact on the business could have been worse were it not for the deployment of various risk management policies and processes already in place. Management of this issue was handled exceptionally well by a wide-ranging team from across the business in what was a continuously moving profile of disruption and we are incredibly grateful to our staff who worked with us during this time and remained flexible to the changing demands that the situation placed on us. Inevitably this type of industry wide disruption focuses the minds of the Group's executive team on risk management and the learnings which we were able to take away from this experience to further risk-proof our business in the future. This thinking has been built into our strategic and risk planning processes moving into 2019 and beyond. Our estimations are that we lost circa £0.7 million EBITDA as a direct result of this disruption within the industry and marketplace.

Strategic report *(continued)*

Business Environment *(continued)*

Award Winning Ciders

During the year Aston Manor was the recipient of 11 awards for its ciders and packaging formats, with 6 awards at the International Cider Challenge across the Knights Malvern, Kingstone Press Crumpton Oaks and Friels brand portfolios, 2 awards at the British Bottlers Institute across the Kingstone Press and Friels brand portfolios and 3 awards at the World Cider Awards across the Knights Malvern and Friels brand portfolios. This once more demonstrates Aston Manor's capability to deliver not just huge volumes but also superb quality ciders.

Fruit Pressing

2018 saw the fourth year of full fruit pressing at our Stourport-on-Severn site. Our continued investment in our apple orchards and working with our orchards on new and improved orcharding techniques resulted in a step change in apple volumes in 2018, being 45% up on 2017. Fruit pressing yields extended by a further 1.1% with a continued high quality of apple juice (high SG levels) being pressed. This represents further progress for the Group and for its apple growers as the orchards that we hold under contract move closer to full maturity and full production.

Sustainability

As part of our continued focus on environmental sustainability Aston Manor is a founding co-signatory, and the only alcohol manufacturer, to The UK Plastics Pact.

The UK Plastics Pact aims to:

- By 2025, 100% use of plastic packaging to be reusable, recyclable or compostable
- By 2025, 70% of plastic packaging effectively recycled or composted
- By 2025, take actions to eliminate problematic or unnecessary single-use packaging items through re-design, innovation or alternative (reuse) delivery models
- By 2025, 30% average recycled content across all plastic packaging

Aston Manor has committed to converting 51% of its PET consumption to rPET (recycled PET) from early 2019. We have been working diligently with a range of suppliers to identify alternative packaging types and to stress test these across our product range and packaging sites to launch these with the coordination of our customers and consumers.

Several work streams are making excellent progress to launch in 2019.

Business Performance and Position

Key performance indicators and results

Turnover for the year to 31 December 2018 amounted to £133 million (*2017: £127 million*). The Company is continuing to explore new export markets and new product formats, whilst at all times managing its cost base and its pursuit of manufacturing excellence.

EBITDA for the year amounted to £5.6 million, after one off costs relating to the sale of the business of £1.8 million (*2017: £10.7 million including £4.3 million profit on sale of property*). Net cash generated from operating activities amounted to £4.9 million *(2017: £3.8 million)*.

The operating profit (EBIT) for the year amounted to £2.3 million (*2017: £7.5 million including £4.3 million profit on sale of property*).

The profit for the financial year amounted to £1.9 million (*2017: £6.0 million*).

During the financial year ended 31 December 2018, one-off costs of £1.8 million were incurred pertaining to the acquisition of the company which are included in the above financial results. The directors are pleased with the overall performance of the Group.

The financial position of the Group is shown in the Statement of Financial Position. The Group's cash flows and liquidity position are described in the Statement of Cash Flows.

Strategic report *(continued)*

Business Performance and Position *(continued)*

Capital investment

The Group continues to invest in expanding its production facilities at all our sites. In the year ended 31 December 2018, the Group invested £3.4 million in various capital projects to enhance our manufacturing capability and capacity. This investment included the installation of a second fruit press at the Stourport site, a modular labeller at our Aston site and an upgrade of our staff and office facilities at the Tiverton site, coupled with investment in our IT infrastructure and vehicle fleet.

Cash flow

During the financial year ended 31 December 2018 we had a net cash inflow of £1.6 million (2017: £3.4 million including the sale of the Witton site and repayment of bank loans). Net cash generated from operating activities of £4.9 million was ahead of last year (2017: £3.8 million). This cash inflow has continued to be reinvested in capital spend in line with our long-term strategy.

Research and Development

Product innovation remains a core part of the continued success of Aston Manor.

We work closely with our Customers in order to identify opportunities for new products and product range extension in line with customer and consumer requirements. The Group have an established core team of staff who manage all product development projects through a rigorous stage and gate process, from minor labelling changes to brand new products.

The Group continues to invest in undertaking research and development activities to develop new cider production processes and techniques, packaging processes and techniques.

Research and development costs of £0.2 million *(2017: £0.4 million)* have been charged to the statement of comprehensive income.

Principal risks and uncertainties

The cider industry is subject to the impact of the prevailing alcohol strategy of the UK Government. As an executive member of the foremost industry trade body, the National Association of Cider Makers ("NACM"), (of which our CEO Gordon Johncox is chairman in 2019) the Group seeks to inform and positively contribute to the formation of government strategy as it applies to our industry.

As noted earlier, Minimum Unit Pricing (MUP) was implemented in Scotland in May 2018; we are continuing to work with industry bodies, as well as Customers and Consumers to assess the impact that this legislation is having on improving the lives of Scotland's residents.

The Group's exposure to the volatility of raw material costs is managed and mitigated through the arrangement of a series of short, medium and long-term supply contracts.

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

Financial risk management

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.

Strategic report *(continued)*

Business Performance and Position *(continued)*

Financial risk management ***(continued)***

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. 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 is an executive member of the 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 such 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.

Social and Community

During the financial year ended 31 December 2018, we made donations to registered charities totalling £85,866 *(2017: £88,992)*.

We have maintained our strong relationship with Grocery Aid – the national charity that helps people across the whole of the grocery industry – from the largest factory, through the supply chain, to the smallest store. Grocery Aid operates a free 24/7 helpline which we promote to staff who want to seek some external advice and assistance in their lives.

Human Rights

At Aston Manor we strongly believe in ethical trading principles underlining everything that we do. All of our production sites are SEDEX approved Supplier Ethical Data Exchange. During the financial year ended 31 December 2018 our Aston site had a SMETA (Sedex Members Ethical Trade Audit) audit.

Aston Manor has been a Stronger Together business partner for the last three years, promoting ethical standards across our staff in all business units.

People Strategy

Here at Aston Manor, we have great people whose enthusiasm, ideas and hard work are crucial to the success of our Company.

In the last few years, we have concentrated on improving the level of communications with all our staff. In addition to the quarterly company cascades, we have introduced a re-vamped company intranet to provide a more comprehensive and timely source of information to staff. We have also launched a quarterly newsletter to all staff which was named Pips n All after a company-wide competition.

For the first time in the company's history, we launched a people survey in early 2018 across all sites and staff grades and were incredibly thankful for the great contributions that we had from all staff. With a 73% staff participation in the survey, across all survey areas from personal attitude to communication, management style, pay & benefits, culture, company / teamwork and customer focus, we gained an extensive range of valuable feedback and insight to help us to shape our people strategy for the next few years.

Strategic report *(continued)*

Business Performance and Position *(continued)*

People Strategy *(continued)*

The survey was undertaken in connection with EEF, The Manufacturer's Organisation, in order to provide some valuable comparison points to the results, which they reported placed Aston Manor in the top 15% of companies.

As a direct output from the survey results, we have put together a People Strategy with the first areas of change being fed back to the business within the first 6 months. We are excited about the opportunity to deploy further changes in the future, and to repeat the survey in order to measure our improvements.

In 2018 we published our first gender pay gap report and we look forward to the publication of our second gender pay gap report in 2019 so that we can report on our progress.

Employee Gender Analysis

At 31 December 2018	Male	Female
Directors of the company	5	-
Employees in other senior executive positions	6	-
Directors of subsidiary companies not included in the above	-	-
Total senior managers other than directors of the company	34	8
Other employees of the Group	214	44
Total number of employees of the Group (including directors)	**259**	**52**

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. The Group had an employee share scheme in place – see note 20 to the financial statements for further information.

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 them 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.

Approved by the board of directors on 21 June 2019 and signed on its behalf by:

Jon Ellis

JD Ellis
Finance Director and Company Secretary

Directors' report

The directors present their annual report and the audited consolidated financial statements of the Group and Company for the year ended 31 December 2018.

Dividends

No dividends were paid during the year (2017: £1.0 million).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

HD Ellis (resigned 7 August 2018)
KR McGrath (resigned 7 August 2018)
JD Ellis
P Clifford (resigned 7 August 2018)
M Stringer (resigned 7 August 2018)
RP Clifford (resigned 7 August 2018)
G Johncox
G Friel (resigned 7 August 2018)
Y Jacobs (appointed 7 August 2018)
M Roubaud (appointed 7 August 2018)
L Spiers (appointed 7 August 2018)

Directors' third-party qualifying indemnity insurance was in place throughout the year and at the date of signing the financial statements for the benefit of all Company directors.

Financial risk management

The Group's financial risk management objectives are described in the Strategic Report on pages 4-5.

Future Developments

In 2019 we will continue to invest in plant and equipment across all our facilities in line with the Group's strategic plans, with plans to invest circa £3.5 million in 2019. All this investment is geared towards the continuous improvement in the quality of our products and the efficiency of their production. Further, we will continue to make commercial investment into our brand portfolio.

Our multi-channel strategy enables us to participate in the strongest growing parts of the market. Aston Manor has historically operated almost exclusively within the UK market. Through our new group owners, Agrial S.A. we are exploring opportunities to consolidate and expand upon relationships outside of the UK as well as exploring the opportunities to sell products produced by the wider Group into the UK. The Group remains highly confident that the strong prospects for the business will be reflected in the financial results for 2019 and beyond.

The acquisition of Aston Manor by Agrial S.A. also opens up opportunities to review existing relationships, processes and strategies and to align these across a wider Group. Work is at an early stage at the end of 2018 of the integration of Aston Manor into the wider Group and we look forward to extending this further throughout 2019 and beyond.

Going Concern

The directors consider that the Group 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 Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the annual report and financial statements.

Directors' report *(continued)*

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and consolidated financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Share capital

On 7 August 2018 the company issued a further 2,114 ordinary shares following the exercise of the Enterprise Management Incentives Scheme options as disclosed in note 20.

Independent Auditors

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

Approved by the board of directors on 21 June 2019 and signed on its behalf by:

JD Ellis
Finance Director and Company Secretary

Deykin Avenue
Witton
Birmingham
B6 7BH

Independent auditors' report to the members of Aston Manor Limited

Report on the audit of the financial statements

Opinion

In our opinion, Aston Manor Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2018 and of the group's and the company's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and consolidated financial statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 December 2018, the consolidated and company statements of comprehensive income, the consolidated statement of cash flows, and the consolidated and company statements of changes in equity for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the members of Aston Manor Limited (continued)

Reporting on other information ***(continued)***

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Aston Manor Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Christopher Hibbs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
25 June 2019

Consolidated statement of comprehensive income

for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	5	**133,297,126**	127,332,881
Cost of sales		**(116,745,002)**	(109,974,622)
Gross profit		**16,552,124**	17,358,259
Distribution costs		**(8,964,832)**	(8,839,085)
Administrative expenses		**(3,479,046)**	(4,399,643)
Costs on sale of business	6	**(1,778,399)**	(922,596)
Group operating profit	6	**2,329,847**	3,196,935
Profit on sale of property	13	**-**	4,257,773
Profit before investment income, interest and taxation		**2,329,847**	7,454,708
Interest receivable and similar income		**4,051**	-
Interest payable and similar expenses	8	**(211,524)**	(320,573)
Profit before taxation		**2,122,374**	7,134,135
Tax on profit	10	**(258,800)**	(1,103,875)
Profit for the financial year being total comprehensive income for the financial year		**1,863,574**	6,030,260
Profit and total comprehensive income for the financial year attributable to:			
Owners of the parent company		**1,863,574**	6,030,260

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

The notes on pages 19 to 42 form part of these financial statements.

Company statement of comprehensive income
for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	5	**133,297,126**	127,332,881
Cost of sales		**(117,368,413)**	(110,494,386)
Gross profit		**15,928,713**	16,838,495
Distribution costs		**(8,964,832)**	(9,120,212)
Administrative expenses		**(3,479,046)**	(4,469,922)
Costs on sale of business	6	**(1,778,399)**	(922,596)
Company operating profit		**1,706,436**	2,325,765
Profit before investment income, interest and taxation	6	**1,706,436**	2,325,765
Interest receivable and similar income	7	**3,678**	61,170
Interest payable and similar expenses	8	**(247,935)**	(286,839)
Profit before taxation		**1,462,179**	2,100,096
Tax on profit	10	**(152,638)**	(433,985)
Profit for the financial year being total comprehensive income for the financial year		**1,309,541**	1,666,111

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

The notes on pages 19 to 42 form part of these financial statements.

Consolidated statement of financial position
as at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		22,730,959		22,709,102
Investments	14		-		250
			22,730,959		22,709,352
Current assets					
Inventories	15	7,818,820		6,448,744	
Debtors	16	25,951,519		26,281,703	
Cash at bank and in hand		342,880		264,292	
		34,113,219		32,994,739	
Creditors: Amounts falling due within one year	17	(21,050,375)		(21,926,432)	
Net current assets			13,062,844		11,068,307
Total assets less current liabilities			35,793,803		33,777,659
Creditors: Amounts falling due after more than one year	18		(4,494,966)		(4,494,966)
Provisions for liabilities	21		(640,672)		(658,279)
Net assets			30,658,165		28,624,414
Capital and reserves					
Called up share capital	22		185,796		183,682
Share premium account			188,063		20,000
Revaluation reserve			-		83,199
Other reserves			320,554		320,554
Profit and loss account			29,963,752		28,016,979
Total equity			30,658,165		28,624,414

The notes on pages 19 to 42 form part of these financial statements.
These financial statements on pages 12 to 42 were approved and authorised for issue by the board of directors on 25 June 2019 and were signed on its behalf by:

Jon Ellis

JD Ellis
Finance Director and Company Secretary

Registered number: 01699439

Company statement of financial position
as at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		18,625,750		18,499,845
Investments	14		2		252
			18,625,752		18,500,097
Current assets					
Inventories	15	7,818,820		6,448,744	
Debtors	16	25,792,341		26,281,703	
Cash at bank and in hand		300,581		263,837	
		33,911,742		32,994,284	
Creditors: Amounts falling due within one year	17	(22,971,768)		(23,342,460)	
Net current assets			10,939,974		9,651,824
Total assets less current liabilities			29,565,726		28,151,921
Creditors: Amounts falling due after more than one year	18		(4,494,966)		(4,494,966)
Provisions for liabilities	21		(675,741)		(741,654)
Net assets			24,395,019		22,915,301
Capital and reserves					
Called up share capital	22		185,796		183,682
Share premium account			188,063		20,000
Revaluation reserve			-		83,199
Other reserves			320,554		320,554
Profit and loss account			23,700,606		22,307,866
Total equity			24,395,019		22,915,301

The notes on pages 19 to 42 form part of these financial statements.
These financial statements on pages 12 to 42 were approved and authorised for issue by the board of directors on 25 June 2019 and were signed on its behalf by:

JD Ellis

JD Ellis
Finance Director and Company Secretary

Registered number: 01699439

Consolidated statement of cash flows
for the year ended 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Profit for the financial year		1,863,574		6,030,260	
Tax on profit		258,800		1,103,875	
Interest payable and similar expenses		211,524		320,573	
Interest receivable and similar income		(4,051)		-	
Profit before investment income, interest and taxation		2,329,847		7,454,708	
Adjustments for:					
Depreciation of tangible fixed assets	*13*	3,297,380		3,197,047	
Profit on disposal of tangible assets and investments		(26,844)		(4,399,139)	
Increase in stocks	*15*	(1,370,076)		(1,399,836)	
Decrease / (increase) in debtors	*16*	822,192		(3,719,767)	
Increase in creditors	*17*	718,682		3,435,938	
Cash generated from operations		5,771,181		4,568,951	
Income taxes paid		(881,083)		(807,485)	
Net cash generated from operating activities			4,890,098		3,761,466
Cash flows from investing activities					
Proceeds from sale of tangible fixed assets		70,400		11,317,715	
Purchases of tangible fixed assets		(3,362,543)		(2,954,530)	
Net cash (used in) / generated from investing activities			(3,292,143)		8,363,185
Cash flows from financing activities					
Repayment of bank loans		-		(4,320,834)	
Repayment of unsecured loans		(7,781)		(2,877,741)	
Repayment of hire purchase obligations		-		(158,050)	
Interest paid		(204,785)		(319,372)	
Dividends paid	*11*	-		(1,000,000)	
Proceeds from issue of ordinary share capital		170,177		-	
Net cash used in financing activities			(42,389)		(8,675,997)
Net increase in cash and cash equivalents			1,555,566		3,448,654
Cash and cash equivalents at beginning of year			(5,408,597)		(8,857,251)
Cash and cash equivalents at end of year	*23*		(3,853,031)		(5,408,597)

The notes on pages 19 to 42 form part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2018

	Note	Called up share capital £	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 January 2017		183,682	20,000	83,199	320,554	22,986,719
Profit for the financial year		-	-	-	-	6,030,260
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	6,030,260
Dividends paid	11	-	-	-	-	(1,000,000)
At 31 December 2017		183,682	20,000	83,199	320,554	28,016,979
Profit for the financial year		-	-	-	-	1,863,574
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	1,863,574
Dividends paid	11	-	-	-	-	-
Transfer of excess depreciation		-	-	(83,199)	-	83,199
Share issue		2,114	168,063	-	-	-
At 31 December 2018		**185,796**	**188,063**	-	**320,554**	**29,963,752**

Called up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve – represents the net revaluation surplus on investment properties and from previously revalued assets.

Other reserves – represents the nominal value of shares re-purchased by the Group.

Profit and loss account – includes all current and prior year retained profits and losses.

Company statement of changes in equity
for the year ended 31 December 2018

	Note	Called up share capital £	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 January 2017		183,682	20,000	83,199	320,554	21,641,755
Profit for the financial year		-	-	-	-	1,666,111
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	1,666,111
Dividends paid	11	-	-	-	-	(1,000,000)
At 31 December 2017		183,682	20,000	83,199	320,554	22,307,866
Profit for the financial year		-	-	-	-	1,309,541
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	1,309,541
Dividends paid	11	-	-	-	-	-
Transfer of excess depreciation		-	-	(83,199)	-	83,199
Share issue		2,114	168,063	-	-	-
At 31 December 2018		**185,796**	**188,063**	-	**320,554**	**23,700,606**

Called up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve – represents the net revaluation surplus from previously revalued assets.

Other reserves – represents the nominal value of shares re-purchased by the Company.

Profit and loss account – includes all current and prior year retained profits and losses.

Notes
(forming part of the financial statements)

1 Company information

Aston Manor Limited is a private company limited by shares, incorporated in the United Kingdom whose principal activity is the production of cider and perry.

The Company's registered office is Deykin Avenue, Witton, Birmingham, B6 7BH.

The Company operates across four sites:
- Head Office and National Distribution Centre – Deykin Avenue, Witton, Birmingham, B6 7BH
- Aston Production Site – 173 Thimble Mill Lane, Aston, Birmingham, B7 5HS
- Tiverton Production Site – Howden Road, Tiverton, Devon, EX16 5NU
- Stourport Production Site – Nelsons Wharf, Sandy Lane, Stourport-on-Severn, DY13 9QB

2 Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied in all years presented unless otherwise stated.

These financial statements have been prepared under FRS 102 and are presented in Sterling (£).

3.1 Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair values.

3.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2018. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. Uniform accounting policies are used throughout the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3.3 Going concern

The Group'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 Group is shown in the statement of financial position. The Group's cash flows and liquidity position are described in the statement of cash flows. The borrowing facilities of the Group are described in note 19. In addition, the directors' report includes the Group's objectives towards its financial risk management and its exposures to credit and liquidity risks.

The directors consider that the Group 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 Group has adequate resources to continue in operational existence for the foreseeable future. The in-year acquisition of the company by Agrial S.A further strengthens the Group's financial position and going concern assessment. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Notes *(continued)*

3 Summary of significant accounting policies *(continued)*

3.4 *Exemptions*

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objections to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions:

(i) From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows; and

(ii) From disclosing the Company Key Management Personnel compensation, as required by FRS 102 paragraph 33.7 as it is considered that there are no key management personnel.

3.5 *Business combinations*

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

Positive goodwill is amortised to £nil by equal annual instalments over its estimated useful life of 4 years.

3.6 *Investment in subsidiaries*

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

3.7 *Tangible assets*

Tangible assets are measured at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method as follows:

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

Properties held by the Group's investment property company, Aston Manor Freeholds Limited, are accounted for as freehold property held at cost in the Group statement of financial position where they are used by the Group. Any investment properties not used by the Group are treated as investment properties and held at fair value.

Assets in the course of construction are not depreciated until they are available for use.

The carrying amount of any replacement component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over the useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Notes *(continued)*

3 Summary of significant accounting policies *(continued)*

3.8 Impairment of assets

At each reporting date non-financial assets not held at fair value are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.9 Inventories

Inventories are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell. 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.

Inventories are recognised as an expense in the period in which the related turnover is recognised.

3.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

3.11 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

3.13 Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Notes *(continued)*

3 Summary of significant accounting policies *(continued)*

3.14 Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

3.15 Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amounts would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investment in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes *(continued)*

3 Summary of significant accounting policies *(continued)*

***3.15 Financial instruments** (continued)*

(ii) Financial liabilities (continued)

Derivatives, including forward foreign exchange contracts, are not basic instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Hedging arrangements

The Group does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

3.16 Taxation

Current tax is recognised as the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

3.17 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. The Group recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of turnover can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

(i) Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of goods.

Notes *(continued)*

3 Summary of significant accounting policies *(continued)*

3.18 Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements and defined contribution pension plans.

(i) Short term benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Group operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates annual bonus plans for employees. An expense is recognised in the Statement of Comprehensive Income when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

3.19 Foreign currency translation

The Group and Company's functional and presentation currency is pound sterling. In preparing the financial statements of the individual entities, transactions in currencies other that the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income in the period in which they arise.

3.20 Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

3.21 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

3.22 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank. After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment.

3.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes *(continued)*

3 Summary of significant accounting policies *(continued)*

3.24 Distributions to equity holders

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statements of changes in equity.

3.25 Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no critical accounting judgements.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

ii. Inventory provisioning

As the group's principal activity is the production of cider and perry it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

iii. Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current financial viability of the debtor, the ageing profile of debtors and historical experience.

iv. Provisions

The Group recognises a refund provision for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. These provisions require management's best estimate of the costs that will be incurred to satisfy the contractual requirements with customers.

Notes *(continued)*

5 Turnover

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

Turnover, analysed geographically between markets, was as follows:

Group	**2018**	2017
	£	£
United Kingdom	**130,562,468**	125,586,159
Rest of Europe	**2,095,052**	1,058,199
Rest of World	**639,606**	688,523
	133,297,126	127,332,881

Company		
United Kingdom	**130,562,468**	125,586,159
Rest of Europe	**2,095,052**	1,058,199
Rest of World	**639,606**	688,523
	133,297,126	127,332,881

Notes *(continued)*

6 Group and company operating profit

	2018 £	2017 £
Operating profit is stated after charging/(crediting)		
Group – Depreciation:		
Owned tangible fixed assets	**3,297,380**	3,167,314
Assets held under finance leases	**-**	29,733
Company – Depreciation:		
Owned tangible fixed assets	**3,174,741**	2,946,066
Assets held under finance leases	**-**	29,733
Group		
Operating leases – land and buildings	**568,226**	242,365
Company		
Operating leases – land and buildings	**1,318,226**	1,340,721
Group and Company		
Foreign exchange gains realised	**160,979**	107,598
Foreign exchange losses unrealised	**(115,405)**	(9,191)
Research and development	**179,798**	448,400
Inventories recognised in cost of sales	**34,298,158**	29,916,715
Provisions for impairment of inventories	**(22,497)**	48,521
Provisions for impairment of trade debtors	**(252,412)**	270,213
Profit on sale of tangible assets	**26,844**	-
Costs on sale of business	**1,778,399**	922,596

	2018 £	2017 £
Net sales proceeds	**-**	10,893,165
Fair value	**-**	(6,635,392)
Profit on sale of property	**-**	4,257,773

	2018 £	2017 £
Auditors remuneration:		
Fees payable for the audit of the Company's annual financial statements	**97,750**	45,000
Fees payable to the Company's auditors and its associates for other services:		
Audit of financial statements of subsidiaries	**1,000**	1,000
Tax compliance services	**11,000**	8,000
Tax advisory services	**25,991**	26,264
Other services	**86,940**	380,031

Notes *(continued)*

7 Interest receivable and similar income

Group	2018	2017
	£	£
Interest income	4,051	-
	4,051	-

Company	2018	2017
Intra-group loans	-	61,170
Interest income	3,678	-
	3,678	61,170

8 Interest payable and similar expenses

Group	2018	2017
	£	£
Bank loans and overdrafts	208,836	281,829
Unsecured loans	2,688	38,744
	211,524	320,573

Company	2018	2017
Bank loans and overdrafts	208,836	233,803
Unsecured loans	2,688	53,036
Intra-group loans	36,411	-
	247,935	286,839

9 Directors and employees

	2018	2017
Group and Company staff costs during the year were as follows:	£	£
Wages and salaries	11,648,181	10,707,671
Social security costs	1,196,003	1,166,712
Other pension costs	242,728	194,359
	13,086,912	12,068,742

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £507,462 *(2017: £468,860)*. At 31 December 2018 £47,982 *(31 December 2017: £57,009)* was outstanding.

Notes *(continued)*

9 Directors and employees *(continued)*

The monthly average number of employees of the Group and Company (including directors) during the year was:	Number of employees 2018	2017
Production	169	170
Distribution	92	89
Administrative	41	40
	302	299

Remuneration in respect of the directors was as follows:	£	£
Emoluments	2,584,893	2,135,934
Pension contributions to money purchase pension schemes	54,599	56,659
	2,639,492	2,192,593

During the year 5 directors *(2017: 6)* participated in money purchase pension schemes. The aggregate emoluments (including benefits) of the highest paid director were £1,922,749 *(2017: £613,522)* and the Company made pension contributions of £Nil *(2017: £Nil)* on his behalf. No directors received shares under long-term incentive schemes (2017: £Nil) and three directors exercised share options in the year (2017: None).

10 Tax on profit

Group

Analysis of charge for the year

	2018 £	2018 £	2017 £	2017 £
UK corporation tax				
Current tax on income for the year	398,067		1,382,990	
Adjustments in respect of prior years	(121,660)		(119,317)	
Total current tax		276,407		1,263,673
Deferred tax (see note 21)				
Origination and reversal of timing differences	(16,895)		(225,110)	
Effect of changes in tax rates	-		26,277	
Adjustments in respect of prior years	(712)		39,035	
Total deferred tax		(17,607)		(159,798)
Tax on profit		258,800		1,103,875

Notes *(continued)*

10 Tax on profit *(continued)*

Group (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is lower *(2017: lower)* than the standard rate of corporation tax in the UK of 19.00% *(2017: 19.25%)*. The differences are explained below:

	2018 £	2017 £
Total tax reconciliation		
Profit before taxation	**2,122,374**	7,134,135
Current tax at 19.00% *(2017: 19.25%)*	**403,251**	1,373,321
Effects of:		
Expenses not deductible for tax purposes	**(45,637)**	281,221
Additional deduction for R&D expenditure	**21,571**	(122,201)
Adjustments in respect of prior years	**(122,372)**	(80,282)
Effect of changes in tax rates	**1,987**	26,277
Indexation on property disposals	**-**	(282,378)
Depreciation in excess of capital allowances	**-**	(90,683)
Land remediation relief	**-**	(1,400)
Tax on profit	**258,800**	1,103,875

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £Nil *(2017: £Nil)*.

Company

Analysis of charge for the year

	2018 £	2018 £	2017 £	2017 £
UK corporation tax				
Current tax on income for the year	**261,908**		503,164	
Adjustments in respect of prior years	**(43,357)**		(113,787)	
Total current tax		**218,551**		389,377
Deferred tax (see note 21)				
Origination and reversal of timing differences	**(65,038)**		(10,035)	
Effect of changes in tax rates	**-**		1,172	
Adjustments in respect of prior years	**(875)**		53,471	
Total deferred tax		**(65,913)**		44,608
Tax on profit		**152,638**		433,985

Notes *(continued)*

10 Tax on profit *(continued)*

Company (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is lower *(2017: higher)* than the standard rate of corporation tax in the UK of 19.00% *(2017: 19.25%)*. The differences are explained below:

	2018 £	2017 £
Total tax reconciliation		
Profit before taxation	**1,462,179**	2,100,096
Current tax at 19.00% *(2017: 19.25%)*	**277,814**	404,268
Effects of:		
Expenses not deductible for tax purposes	**(110,166)**	230,623
Additional deduction for R&D expenditure	**21,571**	(122,201)
Adjustments in respect of prior periods	**(44,232)**	(60,316)
Effect of changes in tax rates	**7,651**	1,172
Indexation on property disposals	**-**	(19,561)
Tax on profit	**152,638**	433,985

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £Nil *(2017: £Nil)*.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 8 March 2017. The change announced is to reduce the main rate to 17.00% from 1 April 2020. A change to reduce the UK corporation tax rate to 17.00% from 1 April 2020 had already been substantively enacted on 6 September 2016.

11 Dividends paid

The aggregate amount of dividends comprises:

Group and Company	2018 £	2017 £
Interim dividend	**-**	-
Final dividend	**-**	1,000,000
	-	1,000,000

Notes *(continued)*

12 Intangible assets

Group and Company

	Goodwill
	£
Cost	
At 1 January 2018 and 31 December 2018	700,002
Accumulated amortisation	
At 1 January 2018	700,002
Charge for year	-
At 31 December 2018	700,002
Net book value	
At 31 December 2018	-
At 31 December 2017	-

13 Tangible assets

Group

	Freehold property	Plant and machinery	Fixtures and fittings	Assets in course of construction	Total
	£	£	£	£	£
Cost					
At 1 January 2018	4,806,395	27,795,788	1,485,526	1,101,726	35,189,435
Additions	18,591	10,860	13,799	3,319,293	3,362,543
Transfers	-	3,519,966	202,532	(3,722,498)	-
Disposals	-	(541,830)	(275,912)	-	(817,742)
At 31 December 2018	4,824,986	30,784,784	1,425,945	698,521	37,734,236
Accumulated depreciation					
At 1 January 2018	597,138	10,848,924	1,034,271	-	12,480,333
Charge for the year	122,640	3,040,057	134,683	-	3,297,380
Disposals	-	(498,524)	(275,912)	-	(774,436)
At 31 December 2018	719,778	13,390,457	893,042	-	15,003,277
Net book value					
At 31 December 2018	**4,105,208**	**17,394,327**	**532,903**	**698,521**	**22,730,959**
At 31 December 2017	4,209,257	16,946,864	451,255	1,101,726	22,709,102

Tangible fixed assets with a carrying value of £Nil *(2017: £Nil)* are pledged as security for the Group's bank loans.
During the financial year ended 31 December 2017, the group disposed of its' site at Witton for net sales proceeds of £10,893,165 resulting in a profit on sale of £4,257,773 as shown in the Consolidated Statement of Comprehensive Income. The site has since been leased from its new owners and the resulting operating lease commitment is shown in note 25.

Notes *(continued)*

13 Tangible assets *(continued)*

Group *(continued)*

Fixed assets stated at valuation

Aston Manor Freeholds Limited, Deykin Avenue, Witton, Birmingham B6 7BH, is an investment property company and as such holds freehold property at fair value. All tangible fixed assets of Aston Manor Limited are held at cost. Any investment properties used within the Group are held at cost in the Group.

The carrying amount of freehold property comprises:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Freehold buildings	**289,458**	393,507	**-**	-
Freehold land	**3,815,750**	3,815,750	**-**	-
Total	**4,105,208**	4,209,257	**-**	-

Capital commitments

The Group and Company had capital commitments at 31 December 2018 of £338,752 *(2017: £1,707,157)*.

Assets held under finance leases

Included in the total Group and Company net book value of plant and machinery is £Nil *(2017: £Nil)* in respect of assets held under finance leases. Depreciation for the year on these assets was £Nil *(2017: £29,733)*.

Company

	Plant and machinery	Fixtures and fittings	Assets in course of construction	Total
	£	£	£	£
Cost				
At 1 January 2018	27,795,788	1,485,526	1,101,726	30,383,040
Additions	10,860	13,799	3,319,293	3,343,952
Transfers	3,519,966	202,532	(3,722,498)	-
Disposals	(541,830)	(275,912)	-	(817,742)
At 31 December 2018	30,784,784	1,425,945	698,521	32,909,250
Accumulated depreciation				
At 1 January 2018	10,848,924	1,034,271	-	11,883,195
Charge for the year	3,040,058	134,683	-	3,174,741
Disposals	(498,524)	(275,912)	-	(774,436)
At 31 December 2018	13,390,458	893,042	-	14,283,500
Net book value				
At 31 December 2018	**17,394,326**	**532,903**	**698,521**	**18,625,750**
At 31 December 2017	16,946,864	451,255	1,101,726	18,499,845

Notes *(continued)*

14 Investments

Group

	Other investments other than loans
	£
Cost and net book value	
1 January 2018	250
Released on acquisition by Agrial S.A.	(250)
31 December 2018	-

Company

	Shares in Group undertakings	Other investments other than loans	Total
	£	£	£
Cost and net book value			
1 January 2018	2	250	252
Released on acquisition by Agrial S.A.	-	(250)	(250)
31 December 2018	**2**	-	**2**

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The principal undertakings in which the Group's interest at the year-end is more than 20.00% are as follows:

	Country of incorporation	Nature of business	Percentage of shares held	Class of shares
Subsidiary undertaking				
Aston Manor Freeholds Limited	United Kingdom	Property investment company	100.00%	Ordinary

The registered office of Aston Manor Freeholds Limited is the same as that for Aston Manor Limited.

15 Inventories

	Group and Company 2018	2017
	£	£
Raw materials	**3,459,594**	2,301,170
Work in progress	**1,598,784**	1,653,288
Finished goods	**2,760,442**	2,494,286
	7,818,820	6,448,744

There is no significant difference between the replacement cost of the inventory and its carrying amount. Inventories are stated net of provisions for impairment of £27,511 *(2017: £50,008)*.

Notes *(continued)*

16 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade debtors	**24,032,570**	25,029,082	**24,032,570**	25,029,082
Corporation tax	**492,008**	-	**335,316**	-
Other debtors	**87,866**	39,951	**85,380**	39,951
Prepayments and accrued income	**1,339,075**	1,212,670	**1,339,075**	1,212,670
	25,951,519	26,281,703	**25,792,341**	26,281,703

There are no *(2017: Nil)* debtors due in more than one year. Amounts owed by Group undertakings are repayable on demand, unsecured and interest free. Trade debtors are stated net of provisions for impairment of £17,800 *(2017: £270,213)*.

17 Creditors: Amounts falling due within one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts (secured – see note 19)	**4,195,911**	5,672,889	**4,195,911**	5,672,889
Trade creditors	**9,297,707**	8,120,481	**9,297,707**	8,120,481
Amounts owed to group undertakings	**-**	-	**1,958,102**	1,466,508
Other taxation and social security	**3,123,279**	3,575,898	**3,086,570**	3,538,399
Corporation tax	**-**	112,668	**-**	99,687
Other loans (unsecured – see note 19)	**-**	5,093	**-**	5,093
Accruals and deferred income	**4,433,478**	4,439,403	**4,433,478**	4,439,403
	21,050,375	21,926,432	**22,971,768**	23,342,460

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

18 Creditors: Amounts falling due after more than one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts (secured – see note 19)	**4,494,966**	4,494,966	**4,494,966**	4,494,966

Notes *(continued)*

19 Borrowings

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts in respect of receivables financing:				
Due within one year	**4,195,911**	5,672,889	**4,195,911**	5,672,889
Bank loans and overdraft:				
Due within one to two years	**4,494,966**	4,494,966	**4,494,966**	4,494,966
Other loans				
Due within one year	**-**	5,093	**-**	5,093
Total borrowings	**8,690,877**	10,172,948	**8,690,877**	10,172,948

Bank loans and overdrafts

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 2018, the maximum facility available was £15,500,000 *(2017: £15,500,000)*. Interest was charged at a rate of 1.50% above the Bank of England base rate (this rate was reduced to 1.25% from 1st March 2018).

The bank loans comprise loans for the purchase of property, plant and machinery and a term loan of £4,500,000. The loans for the purchase of property, plant and machinery are secured on the assets to which they relate and are repayable by monthly instalments including interest. Interest is charged at a rate of 1.50% above the Bank of England base rate. The term loan is repayable on or before 31 January 2020. Interest on the term loan was charged at a rate of 1.50% above the Bank of England base rate (this rate was reduced to 1.25% from 1st March 2018).

Other Loans

The unsecured loans comprise loans from shareholders of the Group which are repayable on demand. Interest is charged at a rate of 2.00% above the Bank of England base rate.

All borrowings are repayable in monthly instalments with the exception of bank loans of £4,494,966 which is due for annual renewal in January 2020, receivables financing which is a rolling facility and unsecured loans which are repayable on demand.

Hire Purchase

Hire purchase leases relate to the lease of plant and machinery used in the Group's production operations.

Notes *(continued)*

20 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 2010	Equity	1,820	14 February 2020
Equity-settled award to key management granted on 26 February 2010	Equity	294	25 February 2020

Share based payments

The options are only exercisable if the value of Company exceeds £25,000,000 at the earliest of:

(a) date of a change of control;

(b) notice of a takeover; or

(c) flotation.

On 7 August 2018 the above share options were exercised and 2,114 ordinary shares were issued at £80.50 / share.

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
Equity-settled award to key management granted on 15 May 2014	Equity	26,288

Share based payments

Employees may participate in the growth of the Company if its value exceeds £40,000,000 at the earliest of:

(a) a Change of Control;

(b) a Listing;

(c) the liquidation of the Company; or

(d) 1 January 2028.

All employee share schemes were exercised and settled as part of the acquisition of the company by Agrial S.A.

Notes *(continued)*

21 Provisions for liabilities

Group

	Deferred Taxation 2018	2017
	£	£
At 1 January	658,279	818,077
Deferred tax credit to income statement for the year	(16,895)	(198,834)
Adjustment in respect of previous periods	(712)	39,036
At 31 December	**640,672**	658,279

Company

	2018	2017
	£	£
At 1 January	741,654	697,046
Deferred tax credit to income statement for the year	(65,038)	(8,863)
Adjustment in respect of previous periods	(875)	53,471
At 31 December	**675,741**	741,654

Deferred taxation provided for at 17.00% *(2017: 17.00%)* in the financial statements is set out below:

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Accelerated capital allowances	**650,552**	666,721	**685,621**	**750,096**
Other timing differences	**(9,880)**	(8,442)	**(9,880)**	**(8,442)**
	640,672	658,279	**675,741**	**741,654**

The amount of the net reversal of deferred tax expected to occur next year is £Nil *(2017: £Nil)*, relating to the reversal of existing timing differences on tangible fixed assets.

Notes *(continued)*

22 Called up share capital

Group and Company	2018 £	2017 £
Allotted, called up and fully paid:		
Ordinary shares		
183,222 ordinary shares of £1 each	**183,222**	183,222
2,114 ordinary shares issues of £1 each	**2,114**	-
185,336 *(2017: 183,222)* ordinary shares of £1 *(2017: £1)* each	**185,336**	183,222
"A" ordinary shares		
26,288 *(2017: 26,288)* "A" ordinary shares of £0.0175 *(2017: £0.0175)* each	**460**	460
31 December	**185,796**	183,682

On 7 August 2018 2,114 ordinary shares of £1 each were issued at £80.50 per share.

Ordinary shares carry one voting right per share. "A" ordinary shares carry no voting rights.

23 Notes to the Statement of Cash Flows

Cash and cash equivalents

	Group		Company	
	At 31 December 2018 £	At 31 December 2017 £	**At 31 December 2018 £**	At 31 December 2017 £
Cash at bank and in hand	**342,880**	264,292	**300,581**	263,837
Overdrafts	**(4,195,911)**	(5,672,889)	**(4,195,911)**	(5,672,889)
Cash and cash equivalents	**(3,853,031)**	(5,408,597)	**(3,895,330)**	(5,409,052)

Analysis of changes in net debt

	At 1 January 2018 £	Cash flows £	Non-cash movement £	**At 31 December 2018 £**
Net cash:				
Cash at bank and in hand	264,292	78,588	-	**342,880**
Overdrafts	(5,672,889)	1,476,978	-	**(4,195,911)**
	(5,408,597)	1,555,566	-	**(3,853,031)**
Debt:				
Due within one year	(5,093)	7,781	(2,688)	**-**
Due after one year	(4,494,966)	-	-	**(4,494,966)**
	(4,500,059)	7,781	(2,688)	**(4,494,966)**
Net debt	(9,908,656)	1,563,347	(2,688)	**(8,347,997)**

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

Notes *(continued)*

24 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Financial assets that are equity instruments measured at cost less impairment	-	250	2	252
Financial assets that are debt instruments measured at amortised cost				
Trade receivables	**24,032,570**	25,029,082	**24,032,570**	25,029,082
Other receivables	**87,866**	39,951	**85,380**	39,951
Financial liabilities measured at amortised cost				
Receivables financing	**(4,195,911)**	(5,672,889)	**(4,195,911)**	(5,672,889)
Bank loans and overdrafts	**(4,494,966)**	(4,494,966)	**(4,494,966)**	(4,494,966)
Unsecured loans	**-**	(5,093)	**-**	(5,093)
Trade creditors	**(9,297,707)**	(8,120,481)	**(9,297,707)**	(8,120,481)
Other creditors	**(7,556,757)**	(8,015,301)	**(7,520,048)**	(7,977,802)

Derivative financial instruments – Forward contracts
At 31 December 2018, the Group and Company has not entered into any forward foreign currency contracts but maintains its policy of assessing exchange rate risks and seeking forward foreign currency contracts to mitigate foreign currency needs where appropriate.

25 Leasing commitments

Future minimum operating lease payments are as follows:

Group

	Land and buildings 2018 £	2017 £
Operating leases which expire:		
Within one year	**557,056**	557,056
Within two to five years	**2,228,224**	2,228,224
After five years	**4,781,397**	5,338,453
	7,566,677	8,123,733

Company

	2018 £	2017 £
Operating leases which expire:		
Within one year	**1,307,056**	1,307,056
Within two to five years	**5,228,224**	5,228,224
After five years	**17,531,397**	18,838,453
	24,066,677	25,373,733

Notes *(continued)*

26 Transactions with related parties

Group and Company

	2018	2017
	£	£
Interest accrued on loans from directors and shareholders	2,688	38,744
Key management personnel compensation	2,584,893	2,081,265
Dividends paid to directors	-	612,120

Included in creditors (see notes 17 and 18) are unsecured loans from directors and shareholders amounting to £Nil *(2017: £5,093)* which includes accrued interest. Interest is charged at 2% above the Bank of England base rate. £2,688 *(2017: £30,676)* interest has been paid during the year.

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

During the financial year ended 31 December 2018, Aston Manor Limited paid £106,539 *(2017: £122,231)* to Cool Apple Limited.

At 31 December 2018, Cool Apple Limited was owed £20,723 by Aston Manor Limited (*2017: £11,211*).

Following the sad loss of PD Ellis (director) in late 2017, Aston Manor supported his surviving family members by paying certain costs whilst his estate was going through probate. At 31 December 2017, Aston Manor Limited was owed £28,243 by the PD Ellis estate which is included in Other debtors in note 16. This amount was recovered in full in July 2018.

During the financial year ended 31 December 2018, Aston Manor Limited made purchases from the following companies that are part of the Agrial S.A. group: Agrial £5,007, CSR £116,710, Eclor Enterprises £3,063 and Eclor Boissons £952,847. At 31 December 2018, Aston Manor Limited owed to Agrial £5,007, CSR £116,710, Eclor Enterprises £3,063 and Eclor Boissons £270,813.

27 Financial risk management

The Group has exposure to four areas of risk – price, credit, taxation and cash flow & liquidity.

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 Company. 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 financial year end, 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 statement of financial position.

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 is an executive member of 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 such 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.

Notes *(continued)*

28 Controlling parties

The ultimate parent company and ultimate controlling party is Agrial S.A., a Company incorporated in France, which owns 100% of the issued share capital of Aston Manor Limited.

Agrial is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of Agrial S.A. are available from 4 rue des Roquemonts, 14050 CAEN Cedex, France. Eclor Enterprises is the smallest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of Eclor Enterprises are available from 20 rue Rouget de l'Isle, 92130 Issy-les-Moulineaux.