

# **Aspall Cyder Limited**

Annual Report and Financial Statements

For the year ended

31 December 2020

Company Number 02032494

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# Aspall Cyder Limited

## Company Information

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<b>Directors</b>	A P Pickering P M Whitehead R Eveson
<b>Company secretary</b>	J M Cotton
<b>Registered number</b>	02032494
<b>Registered office</b>	137 High Street Burton on Trent England DE14 1JZ
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Exchange House, Central Business Exchange, Milton Keynes, MK9 2DF

# Aspall Cyder Limited

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# Aspall Cyder Limited

## Strategic Report For the Year Ended 31 December 2020

### Introduction

The Directors present their report and the audited financial statements for Aspall Cyder Limited (the "Company") for the year ended 31 December 2020.

### Business review

The principal activity of the Company during the year was the manufacturing and wholesale of cyder, vinegar and apple juice. The key financial performance indicators are turnover, gross profit, gross margin, profit before taxation and net assets. These KPIs indicate the volume of work the Company has undertaken as well as efficiency and profitability with which this work has been delivered.

	Year ended 31 December 2020	Year ended 31 December 2019
Turnover (£)	20,637,213	25,513,495
Gross profit (£)	6,253,923	8,673,191
Gross margin (%)	30	34
(Loss)/ profit before taxation (£)	(1,389,593)	(429,264)
Net (liabilities)/ assets (£)	(1,579,777)	(38,454)

During 2020 due to the closure of much of the hospitality sector as a result of social distancing rules required to combat Covid 19, there was less volume produced than in previous years. However, the site remained open to service the vinegar and off trade requirements.

The Company's turnover decreased by 19.2% (2019: 18.5% decrease) to £20,637,213 as a result of partial on-trade closure throughout the Covid 19 pandemic in the year.

Gross profit for the year was £6,253,923 (2019: £8,673,191) driven by the reduction in gross margin linked to on-trade closures where the business usually sells products at higher margins. Whilst part of this reduction was mitigated through reductions in distribution costs of £426,535 and reductions in administrative expenses of £983,215, loss before tax in the year amounted to £1,389,593 (2019: loss of £429,264).

A significant portion of the Company's sales are made to Molson Coors Brewing Company (UK) Limited which has an indirect 100% shareholding of the Company. These sales are made at internal transfer prices which influence the overall profitability of the Company. As a result, the wider Molson Coors group benefits from the profitability of the Aspall's brand and its products through sales to external customers by using the UK and Ireland's group-wide distribution and brewery network and market reach. Significant investment continued to be made in tangible fixed assets during the year to improve production facilities, increase capacity, improve quality and reduce environmental impact.

### Principal risks and uncertainties

The Company has continued exposure to the price volatility of raw materials, in particular apples. To mitigate this the Company looks to work closely with apple growers and arranges contracts to cover each season.

The Company operates within a regulated environment and closely monitors developments as they arise. Recent developments are that in Wales, Minimum Unit Pricing (MUP) was introduced in March 2020 and in the UK, Cyder duty increased in February 2020 for Cyders greater than 6.9% alcohol by volume but has been frozen for 2021. We will continue to monitor the impact of these changes and future changes and any other regulatory changes to ensure that we are prepared for any future regulatory changes to the industry.

The Company takes health and safety risks very seriously and works with the Company employees and advisors to ensure these remain as low as possible. During the year the Company used financial instruments including loans from fellow group entities, the main purpose of which were to raise finance for the Company's activities. Policies are in place that require appropriate credit checks to be completed in respect of potential customers.

# Aspall Cyder Limited

## Strategic Report (continued) For the Year ended 31 December 2020

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### Covid-19

The Directors have considered the impact of the Covid crisis to the business. In early 2020 the Covid-19 outbreak spread to the UK which resulted in a sharp downturn in the on-trade business. On 23rd March 2020 the UK Government declared a lockdown as part of the measures to slow the spread of Covid-19. This lockdown required all hospitality venues to close until 4th July 2020. The business responded by prioritising the health and wellbeing of its people, with all office-based employees being able to work from home, closing non-essential sites, furloughing impacted staff while continuing to pay everyone, whether furloughed, working or isolating due to Covid-19 100% of their salary, and restricting production to prioritise key product lines to enable all those in vulnerable groups in operational roles to remain at home until a comprehensive suite of Covid-Secure measures were implemented in production sites that remained active.

On 4th July 2020 the government allowed on trade outlets to reopen with strict social distancing measures. As a result, all sites were reopened, and the majority of operational staff returned to work. On 5th November 2020 the Government announced a second lockdown, again closing all hospitality venues. Whilst some hospitality venues could reopen on 2nd December, ongoing restrictions under the three-tier system, followed by a stricter fourth tier being introduced from 21st December and Christmas restrictions continued to provide challenging trading conditions to the end of the financial year.

The Directors have considered whether the decline in trade has resulted in an impairment to the business and have determined that the impact does not represent a permanent diminution of value. Whilst the impact of the pandemic is likely to be present in some form for years to come, as this is not a permanent diminution in value, the Directors have determined that there is no impairment of any long-lived assets in light of conditions existing at the balance sheet date and at the date of approval of these financial statements.

### Financial risk management objectives and policies

In common with other businesses, the Company aims to minimise exposure to price, credit, financial and cashflow risks. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are also closely monitored to keep the risk of bad debts to a minimum.

### Future developments

The directors anticipate that the Company will continue to keep abreast of developments within the industry and consolidate its position within the marketplace through investment in new plant and technology.

This report was approved by the board and signed on its behalf.



**R Eveson**  
Director

23 September 2021

# Aspall Cyder Limited

## Directors' Report For the Year ended 31 December 2020

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The directors present their report and the audited financial statements for the year ended 31 December 2020.

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the 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 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, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the 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 company will continue in business.

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

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

### 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 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 company's auditors are aware of that information.

### Results and dividends

The loss after taxation for the year amounted to £1,541,323 (2019 – £843,249).

Dividends of £Nil were paid to ordinary shareholders in the year (2019 - £Nil).

# Aspall Cyder Limited

## Directors' Report (continued) For the Year ended 31 December 2020

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### Directors

The directors who were in office during the year and up to the date of signing the financial statement were:

P M Whitehead  
R Eveson  
A P Pickering (appointed 2 July 2020)  
J C Shearer (resigned 2 July 2020)

### Strategic Report

The directors have included a business review within the Strategic Report. Also included in the Strategic Report are details of the future developments of the Company, the principal risks and uncertainties and a review of the key performance indicators as assessed by the directors.

### Going concern

The Directors have performed an assessment of the businesses' ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements with a focus on adequate cash reserves to fund operations. In order to make this assessment, a cash flow forecast up to the period ending 31 December 2022 has been prepared. This forecast has considered the continuing impact of the previous partial closures of the UK hospitality sector and the resulting cash requirements. A reasonable severe but plausible scenario has been modelled to determine whether the business has sufficient cash to continue operating until the end of 2022.

This model demonstrates that in a reasonable severe but plausible scenario, the business has sufficient funding resources to meet liquidity requirements to support its ongoing operations through the remainder of 2021 and 2022.

In addition, the directors have received confirmation from the Company's ultimate parent undertaking that the Company will receive support, if required, in order to meet its liabilities as they fall due for a period of not less than 12 months from the approval date of these financial statements. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

### Directors' indemnities

The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**R Eveson**  
Director

23 September 2021



# Independent auditors' report to the members of Aspoll Cyder Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Aspoll Cyder Limited's financial statements:-

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss 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 financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income and the Statement 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 company 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

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### 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.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2020 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 company and its 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 in respect of the financial statements, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with health and safety legislation, employment legislation and taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of accounting estimates which could be subject to management bias or posting of unusual journals. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the company's internal control related to estimates.
- Reviewing accounting estimates for bias and validating the support behind the assumptions and judgements made by management including challenging against possible alternatives.

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- Reviewing legal expense accounts, board minutes and in-house legal counsel documentation.
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management.
- Substantive testing of journal entries, particularly focused around journals which have unexpected account relationships.
- Incorporating elements of unpredictability.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://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.

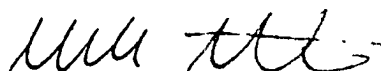
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

- we have not obtained 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Foster (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Milton Keynes  
24 September 2021

# Aspall Cyder Limited

## Statement of Comprehensive Income For the Year ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Turnover	4	20,637,213	25,513,495
Cost of sales		(14,383,290)	(16,840,304)
<b>Gross profit</b>		<b>6,253,923</b>	<b>8,673,191</b>
Distribution costs		(2,239,838)	(2,666,374)
Administrative expenses		(5,370,262)	(6,353,477)
Other operating income	5	119,408	-
<b>Operating loss</b>	6	<b>(1,236,769)</b>	<b>(346,660)</b>
Interest payable and similar expenses	9	(152,824)	(82,604)
<b>Loss before taxation</b>		<b>(1,389,593)</b>	<b>(429,264)</b>
Tax on loss	10	(151,730)	(413,985)
<b>Loss for the financial period</b>		<b>(1,541,323)</b>	<b>(843,249)</b>

There was no other comprehensive income for the year ended 31 December 2020 (2019 - £Nil).

The notes on pages 12 to 25 form part of these financial statements.

**Aspall Cyder Limited**

Registered number: 02032494

**Statement of Financial Position  
As at 31 December 2020**

		31 December 2020 £	31 December 2019 £
	Note		
<b>Fixed assets</b>			
Intangible assets	11	119,828	135,057
Tangible assets	12	19,359,278	17,556,584
		<u>19,479,106</u>	<u>17,691,641</u>
<b>Current assets</b>			
Stocks	13	5,883,177	6,002,720
Debtors: amounts falling due within one year	14	5,129,165	4,158,375
Cash at bank and in hand		1,619,933	2,218,489
		<u>12,632,275</u>	<u>12,379,584</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(32,900,232)	(29,604,219)
<b>Net current liabilities</b>		<u>(20,267,957)</u>	<u>(17,224,635)</u>
<b>Total assets less current liabilities</b>		<u>(788,851)</u>	<u>467,007</u>
Creditors: amounts falling due after more than one year	16	(240,000)	(240,000)
<b>Provisions for liabilities</b>			
Deferred tax	17	(550,926)	(265,461)
		<u>(550,926)</u>	<u>(265,461)</u>
<b>Net liabilities</b>		<u><u>(1,579,777)</u></u>	<u><u>(38,454)</u></u>

# Aspall Cyder Limited

Registered number: 02032494

## Statement of Financial Position (continued) As at 31 December 2020

	Note	31 December 2020 £	31 December 2019 £
<b>Capital and reserves</b>			
Called up share capital	18	254	254
Share premium account		399,966	399,966
Profit and loss account		(1,979,997)	(438,674)
<b>Total Equity</b>		<b>(1,579,777)</b>	<b>(38,454)</b>

The financial statements on page 8 to 25 were approved by the Board of Directors on 23 September 2021 and were signed on its behalf by:



**R Eveson**  
Director

23 September 2021

The notes on pages 12 to 25 form part of these financial statements.

# Aspall Cyder Limited

## Statement of Changes in Equity For the Year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	254	399,966	404,575	804,795
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(843,249)	(843,249)
<b>At 31 December 2019 and 1 January 2020</b>	<b>254</b>	<b>399,966</b>	<b>(438,674)</b>	<b>(38,454)</b>
Loss for the year	-	-	(1,541,323)	(1,541,323)
<b>At 31 December 2020</b>	<b>254</b>	<b>399,966</b>	<b>(1,979,997)</b>	<b>(1,579,777)</b>

The notes on pages 12 to 25 form part of these financial statements.

# Aspall Cyder Limited

## Notes to the financial statements For the Year ended 31 December 2020

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### 1. General information

Aspall Cyder Limited is a private Company, limited by shares, incorporated in England and Wales, United Kingdom under the Companies Act. The address of the registered office is 137 High Street, Burton-On-Trent, England, DE14 1JZ. The nature of the Company's operations and its principal Company is the production and sale of cyder, apple and vinegar products and the export of cyder, apple and vinegar products. The financial statements are prepared in British pound sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest pound.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. Accounting policies have been applied consistently.

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- adopt sections 11 and 12 of FRS102 in respect of financial instruments
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Molson Coors Beverage Company for the year ended 31 December 2020 and these financial statements may be obtained from PO Box 4030, NH353, Golden Colorado, USA.

#### 2.3 Going concern

The nature of the Company's activities and a review of principal risks and uncertainties facing the business are set out in the Strategic Report on pages 1 and 2. The Directors going concern assessment is set out in the Directors' Report on page 4.

Subsequent to the reporting date, the Company has continued to trade within its available facilities.

The Directors have received confirmation from the Company's ultimate parent undertaking that the Company will receive the required support in order to meet its liabilities as they fall due for a period of not less than 12 months from the approval date of these financial statements. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

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### 2.4 Turnover

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding VAT and other sales taxes or duty and net of discounts and rebates. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 2.5 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Trademarks	- 20 years straight line
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### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is provided on the following bases:

Leasehold property	- 25 years straight line
Plant and machinery	- 10 years straight line
Office equipment	- 5 years straight line

Construction in progress is not depreciated until assets are brought into use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

### 2.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.



# **Aspall Cyder Limited**

## **Notes to the financial statements (continued) For the Year ended 31 December 2020**

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### **2.8 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on a standard cost basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Duty is accrued when it has become due at the point a sale has been recognised. Overhead recovery is calculated on the basis of overhead costs per hectolitre in stock.

### **2.9 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### **2.10 Foreign currency translation**

#### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

#### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

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### Transactions and balances (continued)

At each year end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'interest payable and similar charges'. All other foreign exchange gains and losses are presented in the Income Statement within 'administrative expenses'.

### 2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

### 2.12 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

#### Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### 2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

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### 2.14 Current and deferred taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2.15 Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

#### Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

### 2.16 Government grants

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

### 2.17 Reserves

The Company's reserves are as follows:

Called up share capital reserve represents the nominal value of the shares issued.

- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

Preference shares issued by the Company are classified as non-current creditors within liabilities as preference shareholders are entitled in priority to payment by dividend. Details of preference shares are included in note 16 on page 23.

### 2.18 Related party transactions

The Company 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 financial statements.

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have determined whether there are indicators of impairment of the Company's tangible and intangible assets.

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty are:

#### *Tangible fixed assets (note 12)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### *Stock quantity, valuation and provision*

The company applies standard costing in its valuation of finished goods and work in progress. There is a degree of estimation involved in assessing the inputs and calculations to arrive at the standard costs for each product that makes up the year end stock value. These include estimates such as direct labour time and rates, average price of materials relevant to the respective items in stock at the year end, wastages at each stage of production and the proportion of relevant overheads to be absorbed.

Certain liquid stocks are maintained in vats which do not allow physical access to assess the level of stock held at a given time. These stocks are subject to wastages and other losses such as evaporation that may mean the records kept may not agree to the exact quantities held. Due to the nature of production, the level of stock can only be fully confirmed once the vat is emptied and processed into finished goods and thus work in progress at the year end is subject to a degree of estimation of the quantity of stock. Stock movements are monitored and subsequent wastages are considered against budgeted wastages. These are built into the standard costing calculations as noted above.

The company records a provision for stock with reference to the items obsolescence, best before dates and when the liquid or product cannot be used in any other product line.

### 4. Turnover

Analysis of turnover by country of destination:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
United Kingdom	20,196,390	25,016,613
Rest of Europe	279,718	310,217
Rest of the world	161,105	186,665
	<u>20,637,213</u>	<u>25,513,495</u>

All turnover arose from the principal activity of the Company.

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

### 5. Other Operating Income

On 20 March 2020, the UK Government announced the Coronavirus Job Retention Scheme ('CJRS') to provide support for employers to enable them to continue paying part of their employees' salaries. The company claimed under this CJRS for the period March 2020 to December 2020 from the UK Government for the employees furloughed. Operating loss is stated after crediting £119,408 of CJRS grants received in the year.

### 6. Operating loss/profit

The operating loss is stated after charging:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Stock recognised as an expense	9,556,292	9,771,158
Depreciation of tangible fixed assets	2,136,798	1,898,058
Amortisation of intangible assets	15,229	15,229
Defined Contribution pension cost	267,637	255,753
Charge on operating leases	230,196	230,848
Audit fees for audit of the financial statements	42,929	37,248
	<u>          </u>	<u>          </u>
	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Wages and salaries	3,800,218	4,069,276
Social security costs	363,275	383,614
Other pension costs	267,637	255,753
	<u>          </u>	<u>          </u>
	4,431,130	4,708,643
	<u>          </u>	<u>          </u>

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 December 2020 No.	Year ended 31 December 2019 No.
Administrative	48	54
Manufacturing	60	63
	<u>          </u>	<u>          </u>
	108	117
	<u>          </u>	<u>          </u>

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

### 7. Pension Commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £267,637 (2019 - £255,753). Contributions totalling £27,286 (2019 - £27,406) were payable to the fund at the reporting date.

### 8. Directors' remuneration

The directors received no remuneration during the year from the Company. The directors of the Company are remunerated by fellow group companies in their capacity as executives of those companies.

### 9. Interest payable and similar expenses

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Bank interest payable	-	42
Intercompany interest	152,824	82,562
	<u>152,824</u>	<u>82,604</u>

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

### 10. Tax on loss

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
<b>Corporation tax</b>		
Group relief (payable)/recoverable	(242,501)	(135,234)
Adjustments in respect of previous periods	108,766	390,515
<b>Total current tax (credit)/charge</b>	<b>(133,735)</b>	<b>255,281</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	13,354	113,984
Changes in recoverable amounts of deferred tax assets	215,524	44,720
Effect of tax rate change on opening balance	56,587	-
<b>Total deferred tax charge</b>	<b>285,465</b>	<b>158,704</b>
<b>Tax on loss</b>	<b>151,730</b>	<b>413,985</b>

#### Factors affecting tax credit for the year

Total tax charge for the year is higher than the standard rate of corporation tax in the UK of 19.0% (2019 – 19.0%). The differences are explained below:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Loss before taxation	(1,389,593)	(429,264)
Corporation tax at standard rate 19%	(264,023)	(81,560)
<b>Effects of:</b>		
Adjustments in respect of prior periods	324,290	435,235
Remeasurement of deferred tax due to change in tax rate	56,587	(13,410)
Expenses not deductible for tax purposes	34,876	73,720
<b>Total tax charge for the year</b>	<b>151,730</b>	<b>413,985</b>

On the 11 March 2020, the UK Government announced that the UK tax rate would remain at 19% and not reduce to 17% from 1 April 2020. This change was substantively enacted on 17 March 2020 and the Company's deferred tax assets and liabilities at the 31 December 2020 have been calculated at this rate (2019 - 17%).

On 3 March 2021 the UK Government announced that the main rate of corporation tax will be increasing to 25% from 1 April 2023. This change will have a consequential effect on the company's future tax charge. If this rate change had been substantially enacted at the current balance sheet date, then the Company's net deferred tax liability would have increased by £173,977.

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

### 11. Intangible assets

	Trademarks £
<b>Cost</b>	
At 1 January 2020	216,829
Additions	-
At 31 December 2020	216,829
<b>Accumulated Amortisation</b>	
At 1 January 2020	81,772
Charge for the year	15,229
At 31 December 2020	97,001
<b>Net book value</b>	
At 31 December 2020	119,828
At 31 December 2019	135,057

### 12. Tangible assets

	Leasehold Property £	Plant and machinery £	Office equipment £	Construction in Progress £	Total £
<b>Cost</b>					
At 1 January 2020	3,982,131	15,750,105	1,189,040	4,345,192	25,266,468
Additions	-	3,124,471	59,102	755,919	3,939,492
Transfers	-	3,730,826	-	(3,730,826)	-
Disposals	-	-	-	-	-
At 31 December 2020	3,982,131	22,605,402	1,248,142	1,370,285	29,205,960
<b>Accumulated Depreciation</b>					
At 1 January 2020	608,189	6,527,896	573,799	-	7,709,884
Charge for the year	158,328	1,811,606	166,864	-	2,136,798
Disposals	-	-	-	-	-
At 31 December 2020	766,517	8,339,502	740,663	-	9,846,682
<b>Net book value</b>					
At 31 December 2020	3,215,614	14,265,900	507,479	1,370,285	19,359,278
At 1 January 2020	3,373,942	9,222,209	615,241	4,345,192	17,556,584



# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

### 13. Stocks

	31 December 2020 £	31 December 2019 £
Raw materials and consumables	1,025,117	1,178,018
Work in progress	1,374,476	1,193,980
Finished goods and goods for resale	3,483,584	3,630,722
	<u>5,883,177</u>	<u>6,002,720</u>

Included in finished goods value is a provision for £321,597 (2019 - £346,738) in relation to obsolete or slow moving stocks.

There is no significant difference between the replacement cost of the inventory and its carrying amount.

### 14. Debtors: amounts falling due within one year

	31 December 2020 £	31 December 2019 £
Trade debtors	1,207,754	1,298,536
Amounts owed by group undertakings	3,612,722	2,591,582
Other debtors	9,090	4,767
Other taxation	222,564	211,416
Prepayments and accrued income	77,035	52,075
	<u>5,129,165</u>	<u>4,158,375</u>

Included in trade debtors is a general bad debt provision of £78,759 (2019: £78,759).

Amounts owed by group undertakings is unsecured, interest free and repayable on demand.

### 15. Creditors: Amounts falling due within one year

	31 December 2020 £	31 December 2019 £
Trade creditors	1,943,972	3,758,628
Amounts owed to group undertakings	27,710,547	22,822,284
Taxation and social security	97,224	104,119
Corporation tax payable	23,987	23,987
Other creditors	200,998	226,179
Accruals and deferred income	2,923,504	2,669,021
	<u>32,900,232</u>	<u>29,604,219</u>

Amounts owed to group undertakings is unsecured, interest is 3% annually and repayable on demand.

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

### 16. Creditors: Amounts falling due after more than one year

	31 December 2020	31 December 2019
	£	£
A Preference shares	240,000	240,000
	<u>240,000</u>	<u>240,000</u>

Preference shares hold no entitlement to vote. Each share is entitled in priority to any payment by the way of a dividend to the holder of the ordinary shares, to a cumulative preferential dividend at the rate of 0.1% per annum of the amount paid up or credited as paid up on each preference share. On winding up, each share receives first a priority return in respect of all unpaid preference dividends, second the sum of £1.00 in respect of each preference share held and not redeemed in accordance with the articles.

### 17. Deferred tax liability

	Year ended 31 December 2020
	£
At beginning of year	(265,461)
Charged to profit or loss	<u>(285,465)</u>
<b>At end of year</b>	<b><u>(550,926)</u></b>

The provision for deferred taxation is made up as follows:

	31 December 2020	31 December 2019
	£	£
Accelerated capital allowances	(988,990)	(696,757)
Short term timing differences	<u>438,064</u>	<u>431,296</u>
	<b><u>(550,926)</u></b>	<b><u>(265,461)</u></b>

On the 11 March 2020, the UK Government announced that the UK tax rate would remain at 19% and not reduce to 17% from 1 April 2020. This change was substantively enacted on 17 March 2020 and the Company's deferred tax assets and liabilities at the 31 December 2020 have been calculated at this rate (2019 - 17%).

On 3 March 2021 the UK Government announced that the main rate of corporation tax would be increasing to 25% from 1 April 2023. This change will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date then the Company's net deferred tax liability would have increased by £173,977

# Aspall Cyder Limited

## Notes to the financial statements (continued) For the Year ended 31 December 2020

### 18. Called up share capital

	31 December 2020 £	31 December 2019 £
<b>Allotted, called up and fully paid</b>		
1,340,000 – (31 December 2019 1,340,000) A Ordinary shares of £0.0001 each	134	134
400,576 – (31 December 2019 400,576) B Ordinary shares of £0.0001 each	40	40
400,576 - (31 December 2019 400,576) D Ordinary shares of £0.0001 each	40	40
400,576 - (31 December 2019 400,576) E Ordinary shares of £0.0001 each	40	40
	<u>254</u>	<u>254</u>

A Ordinary shares - each share is entitled to one vote for each share in any circumstance. Each share is entitled pari passu to dividend payments or any distribution. Each share is entitled pari passu to participate in a distribution arising from a winding up of the Company.

B Ordinary shares - each share is entitled to one vote for each share in any circumstance. Each share is entitled pari passu to dividend payments or any distribution. Each share is entitled pari passu to participate in a distribution arising from a winding up of the company.

D Ordinary shares - each share is entitled to one vote for each share in any circumstance. Each share is entitled pari passu to dividend payments or any distribution. Each share is entitled pari passu to participate in a distribution arising from a winding up of the company.

E Ordinary shares - each share is entitled to one vote for each share in any circumstance. Each share is entitled pari passu to dividend payments or any distribution. Each share is entitled pari passu to participate in a distribution arising from a winding up of the company.

### 19. Capital commitments

There are capital commitments in relation to building work contracted at the year end totalling £Nil, (2019 - £1,288,028).

### 20. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2020 £	31 December 2019 £
Not later than 1 year	265,768	107,895
Later than 1 year and not later than 5 years	261,167	116,105
Later than 5 years	-	-
	<u>526,935</u>	<u>224,000</u>

# **Aspall Cyder Limited**

## **Notes to the financial statements (continued) For the Year ended 31 December 2020**

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### **21. Related party transactions**

The Company is a wholly owned subsidiary of Molson Coors Brewing Company (UK) Limited and has taken advantage of the exemption in FRS 102 paragraph 33.1A from disclosing transactions with other wholly owned subsidiaries of the group headed by Molson Coors Beverage Company.

### **22. Parent and ultimate parent undertaking**

The immediate parent company, by virtue of its 100% shareholding in the Company, is Aspall Holdings Limited, a company incorporated in the United Kingdom.

The ultimate parent company is Molson Coors Beverage Company, a company incorporated in the State of Delaware, USA.

The parent of the largest group and the smallest group in which these financial statements are consolidated is Molson Coors Beverage Company. The address of the registered office of Molson Coors Beverage Company is: PO Box 4030, NH353, Golden Colorado, USA

The most senior parent entity producing publicly available financial statements is Molson Coors Beverage Company. These financial statements are available from the Company Secretary at the above address.

The ultimate controlling party is Molson Coors Beverage Company.