

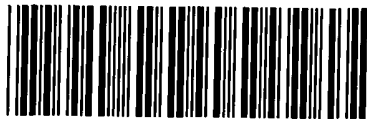
Registered number: 03667842

THE WEST BERKSHIRE BREWERY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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THE WEST BERKSHIRE BREWERY PLC

COMPANY INFORMATION

Directors	Mr A D M Bruce (Chairman) Mr S J Lewis Mr T A R Lucas ACCA Mr S G Robertson-Macleod Mr C R Watson ACA
Company secretary	Mr T A R Lucas ACCA
Registered number	03667842
Registered office	8th Floor Reading Bridge House George Street Reading Berkshire RG1 8LS
Independent auditors	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS
Registrars	Share Registrars Limited Suite E First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL
Solicitors	Addleshaw Goddard Exchange Tower 19 Canning Street Edinburgh EH3 8EH

THE WEST BERKSHIRE BREWERY PLC

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THE WEST BERKSHIRE BREWERY PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

I am delighted to present to my fellow shareholders the fourth Chairman's Statement since I was invited by our founders, Dave and Helen Maggs, to join the Board in March 2013. The past financial year has been a transformational one for our company as we continued not only to fundraise but also worked hard to execute our strategy.

Fundraising

We have adopted a strategy that seeks to not only develop our existing sales and promote our brands but also to diversify our operations and income streams with the aim of massively improving our resilience and profitability.

The strategy that the Board and I adopted from day one has been to:

1. Strengthen the sales and marketing function to increase beer sales organically and develop our brands.
2. Purchase a state-of-the-art brewery complete with bottling, kegging and canning lines.
3. Purchase a wet-led, urban pub with which to showcase our brands and add revenue and volume sales.

In order to enable us to realise our goals, we started fundraising in November 2014 with an Offer for shares under the Enterprise Investment Scheme. To date, we have raised just over £7.25m in new equity capital.

We are continuing our fundraising with a view to developing a small pub estate in the future and to that effect we are currently exploring various opportunities.

Strategic Position

Our prime focus has been not only on raising new equity capital in order to enable us to pursue our objectives but also continuing to grow our beer sales. The acquisition and development of our new site from a working dairy to a 21st century, technologically-advanced brewery, for which the identification, purchase and installation has taken nearly two years to complete.

However, I am delighted to say that during the past year the strategies and development plans on which we have been all been working so hard have crystallised into exciting reality.

New Brewery, packaging line and retail centre

Our development of a new, world-class brewery, packaging lines and retail centre has been pursued with real vigour.

We signed an excellent leasehold deal with our landlord, Yattendon Estates, and took possession of 38,000 ft² of redundant dairy buildings. Planning permission was granted in September 2016 and work started with gusto in November. In spite of having to overcome unforeseen problems and costs, we have remained dedicated to our task of creating one of the most pre-eminent breweries in the UK.

Our brand-new, state-of-the-art plant and equipment arrived in May after a procession of 28 enormous lorries from Parma in Italy delivered a brewery capable of an initial capacity increase of threefold but with the scalability to increase production tenfold, meaning that after this fourth move we will never have to relocate again.

As I write, the plant is being commissioned, the installation having been completed during July under the eagle eye of our Head Brewer, Will Twomey, who throughout has been at the heart of the development, along with Tom Lucas, our Finance Director. A complete new range of exciting and interesting beers in a variety of formats has been designed to complement and enhance our existing range.

The whole development is due to be completed by the end of the September with our first brew being mashed in October.

The new site will be home to West Berkshire Brewery's own brewery tap, offering craft beers, real ales and high-quality food. Pizzas cooked in a top-of-the-range pizza oven and burgers and steaks cooked over a charcoal-fired grill will form the focus of the menu. This offer will be made available to the public as well as for corporate entertaining and events such as weddings and birthday parties.

THE WEST BERKSHIRE BREWERY PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

This retail outlet has been designed to give our visitors a truly immersive experience. From the bar and shop, people will be able to not only view the brewery through a vast, glazed wall but also enjoy being be a part of the action whilst they enjoy a drink and a meal. I am confident that this new retail venture, overlooking rolling arable fields and woodland, will soon prove to be a huge success and a top destination for beer lovers from around the country.

Sales and Marketing

Our Renegade Brewery portfolio of 'craft' beers and lagers continues to exceed all our expectations since it was launched in 2015 and now accounts for c.20% of our sales. In addition to our Renegade Craft Lager, India Session Ale and American Pale Ale, we are now regularly brewing a Small Batch Pilot Range of craft beers such as 'Snake Oil', 'Khan', 'Tropic Like It's Hot' and 'Mashed and Wired', to name but a few. These innovative, unique brews will be introduced in a variety of formats during the forthcoming year.

We are introducing a new range of canned beers which will add an additional revenue stream to our portfolio and we are aiming to place these into the larger distribution networks as soon as possible.

We have further strengthened our sales force, particularly with the hiring of a multiple outlets and national account manager who has successfully driven our portfolio of brands across not only the larger pub groups but also the smaller niche operators. We continue to develop and strengthen our team and have just welcomed a new, London-based sales person with the intention of hiring another one soon in order to accelerate our growth rate.

We have enjoyed much success in lining up a strong pipeline of customers for our contract brewing and packaging business and have already identified what we consider to represent 70% of our spare capacity. I am confident that this exciting initiative will add significant revenue and cash contributions for the future.

London Free House and Pub Opportunities

In June 2016, we acquired our first free house in London. Annual sales continue to be encouraging around £1m. and we are pleased with the result of a recent small refurbishment, during which we decided to change its name to The Depot (www.thedepotn7.co.uk). The pub is an excellent showcase for our wide range of beers and lagers in the lucrative London market and the manager and her team are doing a brilliant job in creating a pub of which we can all be proud.

In view of the success of our first investment in an urban, managed pub, the Board is exploring the best ways to develop a small pub estate in the future. This will be an excellent way for us to continue to scale up our business, guarantee some of our sales outlets and increase the value of our brand and general profile.

Financial Highlights & Commentary

• Turnover:	£2.60m.	(2016: £1.84m.)
• Gross Profit:	£978k.	(2016: £693k.)
• Loss for the financial year:	£737k.	(2016: £264k.)

The year ended March 2017 saw an increased loss on the prior year, which was in line with our forecast. When accounting for exceptional items and non-recurring expenses such as fundraising expenses and website developments, the Company made a normalised EBITDA loss of £395k, which was marginally below budget. The costs associated with the acquisition and the subsequent transition to the Company of our one pub also impacted its initial profitability but trading since then continues to be profitable.

Given the market opportunity, the Company is continuing to invest heavily in infrastructure and is in the middle of a large and expensive expansion. As WBB relocates to its adjacent new site, it is incurring duplicate rent as we attempt to ensure a seamless transition. The Company continues to invest in staff, particularly sales and marketing people in a sustained push to drive revenues and increase market share.

THE WEST BERKSHIRE BREWERY PLC

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

Annual General Meeting

Our AGM will be held at 12 noon on Friday 22 September 2017 at The Depot, 1 Carpenter's Mews, North Road, London N7 9EF.

Please let Clare Candy (clare.candy@wbbrew.com) know if you wish to attend the AGM so we can cater accordingly.

David Bruce
Chairman
Date:

THE WEST BERKSHIRE BREWERY PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

Introduction

The directors present their Group Strategic Report for year ended 31 March 2017.

Business review

The Chairman's statement includes a detailed review of the business and forms a key part of this strategic report.

Principal risks and uncertainties

The following are some of the principal risks and uncertainties that face the Company:

Competition risks

The Company sells its beer in competition with other local companies and in competition with larger regional and national brewers. The levels of sales and prices may be adversely affected by competition from other brewers located in the UK or overseas.

Risks relating to the market for beer

The demand for beer is dependent on a number of factors including overall economic conditions, taste and fashion, levels of taxation and duty and licensing laws. It is possible that economic and political factors may decrease the disposable income that customers have available to spend or may adversely affect customers' confidence and willingness to spend. This could affect the performance of the Company's client pubs and thereby affect demand for the Company's products.

Risks relating to suppliers

The Company is reliant on positive and continuing relationships with its suppliers. Termination of any supply agreements, variations in their terms or the failure of a key supplier to comply with its obligations under these agreements (including if a key supplier were to become insolvent) could have a negative effect on the Company.

Risks relating to raw materials and ingredients

The Company sources as many of its ingredients as possible from within or around the county of Berkshire and, if that is not possible, from within the United Kingdom. Forward contracts have been negotiated for both malt and hops to guarantee supply and price long term, although severe adverse weather conditions or other issues could still affect the supply (and cost) of ingredients, thereby adversely affecting the price or quality of the Company's products.

An increase in the cost of raw materials or energy could affect the Company's profitability. Commodity price changes or supply shortages may result in unexpected increases in the cost of raw materials, glass bottles and other packaging materials used by the Company. In addition, energy cost increases could result in higher transportation, freight and other operating costs. The Company may not be able to increase its prices to offset these increased costs without suffering reduced volume, sales and operating profit.

THE WEST BERKSHIRE BREWERY PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Reputational risks

It is important that the Company has the ability to maintain and enhance the image of its existing products. The image and reputation of the Company's products may be adversely affected by various matters including litigation, complaints from customers and/or regulatory bodies resulting from quality failure, illness or other health concerns. Such concerns, even when unsubstantiated, could be harmful to the Company's image and the reputation of its products.

Deterioration in the Company's brand equity (brand image, reputation and product quality) may have a negative effect on its operating results, financial condition and prospects.

Dependence on the Directors and senior management

The Company's future success is substantially dependent on the continuing services and performance of the Directors, in particular the Chairman, David Bruce, and on members of the Company's management and, in addition, on the ability of the Company to continue to attract and retain highly-skilled and qualified members of staff. There can be no assurance that the Directors or members of the management team will remain with the Company. The loss of the services of any of the Directors, members of the Company's management or other key employees could damage the business of the Company.

Risks relating to legislation, regulation and licensing

The brewing industry in the United Kingdom is highly regulated at both national and local levels and brewing operations require licences, permits and approvals. Delays and failures to obtain, or the withdrawal of, required licences or permits could negatively affect the Company's operations. The United Kingdom government has sponsored campaigns against excessive drinking and these, together with licensing reforms relating to the sale of alcoholic beverages and changes in drink-driving laws, may reduce demand for the Company's products. Any change in the brewing legislation could also adversely impact the products which the Company now produces or may produce in the future.

The Company seeks to comply at all times with applicable health and safety, hygiene and environmental legislation and regulations. Failure to comply with such regulations in the future could give rise to penalties and other financial costs and damage to the Company's reputation. Changes in such legislation or regulation may impose additional costs or restrictions on the Company thereby affecting its profits and prospects.

Raising of future finance by the Company

The Directors believe that the Company will need to raise additional funds in the future and believe that future fundraisings would most likely be by way of a placing of shares in the Company.

Further equity financing may be dilutive to existing Shareholders or result in the issuance of securities whose rights, preferences and privileges are senior to those of the owners of Ordinary Shares.

If the Company is unable to secure additional funds when needed or cannot do so on terms it finds acceptable, it may be unable to expand its operations, take full advantage of future commercial opportunities or respond adequately to competitive pressures, any of which may have an adverse effect on its business and the results of its operations.

Borrowings

The Company may elect to fund its future development partially through borrowings. The extent of borrowings and their terms will depend on the Company's ability to obtain credit facilities, the lenders' estimates of the stability of the Company's cash flow and the debt market at any time. Furthermore, to the extent that the Company funds its activities through borrowing, it will be affected by changes in interest rates. Rising interest rates would have an adverse effect on the Company's financial performance by increasing the Company's cost of capital.

THE WEST BERKSHIRE BREWERY PLC

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

If any future funding requirements are met through additional debt financing, the Company may be required to adhere to covenants restricting its future operational and financial activities.

Financial controls and internal reporting procedures

The Company has established financial controls and internal reporting procedures that the Directors consider appropriate for the Company's current size and stage of development. As the Company grows, it may be necessary to adopt systems and controls more appropriate for a larger organisation.

Any failure by management to manage effectively the implementation of these systems and controls as the Company grows could have an adverse effect on the Company's business and financial performance and hinder its ability to prepare reliable financial statements in the future.

Litigation risk

Legal proceedings may arise from time to time in the course of the Company's business. The Company cannot preclude the possibility that litigation may be brought against it or anticipate the costs of dealing with such litigation. Any such litigation may have an adverse effect on the Company.

Financial key performance indicators

Legislation requires the Board to disclose Key Performance Indicators (KPIs) relevant to the Company. Comments regarding the trading performance of the sites can be found in the Chairman's statement. Trading overall has been in line with the Board's expectations.

This report was approved by the board on

22/08/2017

and signed on its behalf.


Mr T A R Lucas ACCA
Director

THE WEST BERKSHIRE BREWERY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £737,219 (2016 - loss £263,922).

No dividends are proposed or paid in the year (2016 - £Nil)

Directors

The directors who served during the year were:

Mr A D M Bruce (Chairman)
Mr S J Lewis
Mr T A R Lucas ACCA
Mr S G Robertson-Macleod
Mr C R Watson ACA

Future developments

The likely future developments are disclosed in the Chairman's statement.

THE WEST BERKSHIRE BREWERY PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

Following the year end, the Group has issued 818,080 ordinary shares with a nominal value of £0.10 for a total consideration of £1,294,599.

Auditors

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22/08/2017 and signed on its behalf.



Mr T A R Lucas ACCA
Director

THE WEST BERKSHIRE BREWERY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE WEST BERKSHIRE BREWERY PLC

We have audited the financial statements of The West Berkshire Brewery PLC for the year ended 31 March 2017, set out on pages 11 to 36. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2017 and of the Group's profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

THE WEST BERKSHIRE BREWERY PLC

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE WEST BERKSHIRE BREWERY
PLC (CONTINUED)**

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

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

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



Alan Poole BA(Hons) FCA (Senior Statutory Auditor)

for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 22nd August 2017

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	As restated 2016 £
Turnover	4	2,595,952	1,838,234
Cost of sales		(1,618,297)	(1,145,378)
Gross profit		977,655	692,856
Administrative expenses		(1,771,245)	(990,440)
Other operating income	5	3,336	3,360
Fair value movements		49,233	-
Operating loss	6	(741,021)	(294,224)
Interest receivable and similar income	10	5,610	6,792
Interest payable and expenses	11	(1,808)	(2,518)
Loss before taxation		(737,219)	(289,950)
Tax on loss	12	-	26,028
Loss for the financial year		(737,219)	(263,922)
Other comprehensive income		-	-
Total comprehensive income for the year		(737,219)	(263,922)
(Loss) for the year attributable to:			
Owners of the parent Company		(737,219)	(263,922)
		(737,219)	(263,922)

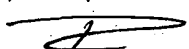
THE WEST BERKSHIRE BREWERY PLC
REGISTERED NUMBER: 03667842

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	As restated 2016 £
Fixed assets			
Intangible assets	13	345,944	-
Tangible assets	14	3,412,186	441,956
		<u>3,758,130</u>	<u>441,956</u>
Current assets			
Stocks	16	269,960	317,315
Debtors: amounts falling due after more than one year	17	21,226	-
Debtors: amounts falling due within one year	17	369,776	250,864
Cash at bank and in hand	18	838,385	2,869,355
		<u>1,499,347</u>	<u>3,437,534</u>
Creditors: amounts falling due within one year	19	(828,810)	(301,161)
Net current assets		<u>670,537</u>	<u>3,136,373</u>
Total assets less current liabilities		<u>4,428,667</u>	<u>3,578,329</u>
Creditors: amounts falling due after more than one year	20	(26,635)	(41,852)
Provisions for liabilities			
Net assets		<u><u>4,402,032</u></u>	<u><u>3,536,477</u></u>
Capital and reserves			
Called up share capital	23	285,482	224,696
Share premium account		4,953,510	3,470,329
Profit and loss account		(836,960)	(158,548)
Equity attributable to owners of the parent Company		<u>4,402,032</u>	<u>3,536,477</u>
Total equity		<u><u>4,402,032</u></u>	<u><u>3,536,477</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

22/08/2017.



Mr T A R Lucas ACCA
Director

The notes on pages 18 to 36 form part of these financial statements.

THE WEST BERKSHIRE BREWERY PLC
REGISTERED NUMBER: 03667842

COMPANY BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	As restated 2016 £
Fixed assets			
Tangible assets	14	3,227,044	441,956
Investments	15	3	3
		<u>3,227,047</u>	<u>441,959</u>
Current assets			
Stocks	16	248,914	317,315
Debtors: amounts falling due after more than one year	17	21,226	-
Debtors: amounts falling due within one year	17	977,490	250,864
Cash at bank and in hand	18	809,093	2,869,355
		<u>2,056,723</u>	<u>3,437,534</u>
Creditors: amounts falling due within one year	19	(745,592)	(301,164)
Net current assets		<u>1,311,131</u>	<u>3,136,370</u>
Total assets less current liabilities		<u>4,538,178</u>	<u>3,578,329</u>
Creditors: amounts falling due after more than one year	20	(26,635)	(41,852)
Net assets		<u><u>4,511,543</u></u>	<u><u>3,536,477</u></u>
Capital and reserves			
Called up share capital		285,482	224,696
Share premium account		4,953,510	3,470,329
Profit and loss account brought forward		(99,741)	105,374
Loss for the year		(627,708)	(263,922)
Profit and loss account carried forward		<u>(727,449)</u>	<u>(158,548)</u>
		<u><u>4,511,543</u></u>	<u><u>3,536,477</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

22/08/2017

Mr T A R Lucas ACCA
Director

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2015 (as previously stated)	156,560	1,604,299	85,058	1,845,917
Prior year adjustment	-	49,031	689	49,720
At 1 April 2015 (as restated)	156,560	1,653,330	85,747	1,895,637
Comprehensive income for the year				
Loss for the year	-	-	(263,922)	(263,922)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(263,922)	(263,922)
Shares issued during the year	68,136	1,816,999	-	1,885,135
Share based payment charge	-	-	19,627	19,627
Total transactions with owners	68,136	1,816,999	19,627	1,904,762
At 1 April 2016 (as previously stated)	224,696	3,421,298	(188,673)	3,457,321
Prior year adjustment	-	49,031	30,125	79,156
At 1 April 2016 (as restated)	224,696	3,470,329	(158,548)	3,536,477
Comprehensive income for the year				
Loss for the year	-	-	(737,219)	(737,219)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(737,219)	(737,219)
Shares issued during the year	60,786	1,483,181	-	1,543,967
Share based payment charge	-	-	58,807	58,807
Total transactions with owners	60,786	1,483,181	58,807	1,602,774
At 31 March 2017	285,482	4,953,510	(836,960)	4,402,032

THE WEST BERKSHIRE BREWERY PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2015 (as previously stated)	156,560	1,604,299	85,058	1,845,917
Prior year adjustment	-	49,031	689	49,720
	<u>156,560</u>	<u>1,653,330</u>	<u>85,747</u>	<u>1,895,637</u>
At 1 April 2015 (as restated)				
Comprehensive income for the year				
Loss for the year	-	-	(263,922)	(263,922)
	<u>-</u>	<u>-</u>	<u>(263,922)</u>	<u>(263,922)</u>
Total comprehensive income for the year				
Contributions by and distributions to owners				
Shares issued during the year	68,136	1,816,999	-	1,885,135
Share based payment charge	-	-	19,627	19,627
	<u>68,136</u>	<u>1,816,999</u>	<u>19,627</u>	<u>1,904,762</u>
Total transactions with owners				
At 1 April 2016 (as previously stated)	224,696	3,421,298	(188,673)	3,457,321
Prior year adjustment	-	49,031	30,125	79,156
	<u>224,696</u>	<u>3,470,329</u>	<u>(158,548)</u>	<u>3,536,477</u>
At 1 April 2016 (as restated)				
Comprehensive income for the year				
Loss for the year	-	-	(627,708)	(627,708)
	<u>-</u>	<u>-</u>	<u>(627,708)</u>	<u>(627,708)</u>
Total comprehensive income for the year				
Contributions by and distributions to owners				
Shares issued during the year	60,786	1,483,181	-	1,543,967
Share based payment charge	-	-	58,807	58,807
	<u>60,786</u>	<u>1,483,181</u>	<u>58,807</u>	<u>1,602,774</u>
Total transactions with owners				
At 31 March 2017	285,482	4,953,510	(727,449)	4,511,543

THE WEST BERKSHIRE BREWERY PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	As restated 2016 £
Cash flows from operating activities		
Loss for the financial year	(737,219)	(263,922)
Adjustments for:		
Amortisation of intangible assets	54,054	-
Depreciation of tangible assets	131,409	78,787
Loss on disposal of tangible assets	(168)	-
Interest paid	1,808	2,518
Interest received	(5,610)	(6,792)
Taxation charge	-	(26,028)
Decrease/(increase) in stocks	47,355	(100,545)
(Increase) in debtors	(98,883)	(30,773)
Increase/(decrease) in creditors	527,761	(43,648)
Share based payment charge	58,807	19,627
Net fair value (gains)/losses recognised in P&L	(49,233)	-
Corporation tax received	7,978	-
Net cash used in operating activities	(61,941)	(370,776)
Cash flows from investing activities		
Purchase of intangible fixed assets	(399,998)	-
Purchase of tangible fixed assets	(3,102,493)	(85,923)
Sale of tangible fixed assets	1,022	-
Interest received	5,610	6,792
HP interest paid	(1,808)	-
Net cash from investing activities	(3,497,667)	(79,131)

THE WEST BERKSHIRE BREWERY PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

	2017	As restated
	£	2016
		£
Cash flows from financing activities		
Issue of ordinary shares	1,598,896	1,983,181
Expenses paid in connection with share issue	(54,929)	(102,007)
Repayment of/new finance leases	(15,329)	(17,449)
Net cash used in financing activities	1,528,638	1,863,725
Net (decrease)/increase in cash and cash equivalents	(2,030,970)	1,413,818
Cash and cash equivalents at beginning of year	2,869,355	1,455,537
Cash and cash equivalents at the end of year	838,385	2,869,355
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	838,385	2,869,355
	838,385	2,869,355

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

The West Berkshire Brewery Plc is a public limited company, incorporated in the United Kingdom and registered in England and Wales. The Group's principal place of business is The Flour Barn, Frilsham Home Farm, Yattendon, RG18 0XT.

The principal activity of the group is brewing and selling of beers and ales, and the operation of a public house.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared 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 UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Group remains in a phase of growth and investment as outlined in the Chairman's report, and is not yet profitable. Despite the current losses, the directors remain confident that the Group has access to sufficient financial resources to continue trading for the foreseeable future including the ability to raise additional debt or equity capital if required. For this reason, the directors consider that it remains appropriate to prepare the financial statements on a going concern basis.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 15% - 20% on cost
Motor vehicles	- 25% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

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 the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial 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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

Short term 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.

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated 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.

2.16 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.17 Taxation

Tax is recognised in the Consolidated 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 balance sheet date in the countries where the Company and the Group operate and generate income.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount of reported assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effects on amounts recognised in the financial statements.

Share based payment valuation

Management used the Black-Scholes model to estimate the value of the share options granted to employees. Details of the estimated inputs are disclosed in Note 26.

Stock valuation

The company uses a standard costing estimate to value work in progress and finished goods stock, including estimates for raw material, labour and overhead costs. These estimates are reviewed by management twice a year.

Useful life of fixed assets

The useful economic life of fixed assets is estimated on a class by class basis. Assets are depreciated over the average length of time management believe assets will be held for.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Brewery	1,954,014	1,838,234
Pub	641,938	-
	<u>2,595,952</u>	<u>1,838,234</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Government grants receivable	3,336	3,360
	<u>3,336</u>	<u>3,360</u>

THE WEST BERKSHIRE BREWERY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	131,409	78,787
Amortisation of intangible assets, including goodwill	54,054	-
	<u>185,463</u>	<u>78,787</u>

7. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	11,000	3,500
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance and other services	4,500	-
	<u>4,500</u>	<u>-</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	877,400	608,423
Social security costs	66,841	48,245
	<u>944,241</u>	<u>656,668</u>

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

	2017 No.	2016 No.
Production	5	5
Administration and support	10	10
Distribution	4	4
Pub staff	15	-
	<u>34</u>	<u>19</u>

Key management personnel comprise the directors, their remuneration is disclosed below.

THE WEST BERKSHIRE BREWERY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	221,208	221,251
	<u>221,208</u>	<u>221,251</u>

The highest paid director received remuneration of £79,716 (2016 - £78,618).

10. Interest receivable

	2017 £	2016 £
Other interest receivable	5,610	6,792
	<u>5,610</u>	<u>6,792</u>

11. Interest payable and similar charges

	2017 £	2016 £
Finance leases and hire purchase contracts	1,714	2,128
Other interest payable	94	390
	<u>1,808</u>	<u>2,518</u>

12. Taxation

	2017 £	As restated 2016 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	(26,028)
Total deferred tax	<u>-</u>	<u>(26,028)</u>
Taxation on profit/(loss) on ordinary activities	<u>-</u>	<u>(26,028)</u>

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(737,219)</u>	<u>(289,950)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	<u>(147,444)</u>	<u>(57,990)</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	27,636	6,428
Deferred tax asset not recognised	119,808	25,534
Total tax charge for the year	<u>-</u>	<u>(26,028)</u>

Factors that may affect future tax charges

Legislation has been passed to reduce the rate of UK corporation tax to 19% from 1 April 2017 and 17% from 1 April 2020. The future impact of the changes on the deferred tax liability have been accounted for.

The Group has approximately £1,500,000 (2016: £500,000) taxable losses to carry forward. The Group has an unrecognised deferred tax asset of approximately £250,000 (2016: £100,000) arising from tax losses and other timing differences. These assets are, as yet, unrecognised as there is insufficient evidence that these assets will be recovered.

THE WEST BERKSHIRE BREWERY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Intangible assets

Group and Company

	Goodwill £
Cost	
Additions	399,998
At 31 March 2017	399,998
Amortisation	
Charge for the year	54,054
At 31 March 2017	54,054
Net book value	
At 31 March 2017	345,944
At 31 March 2016	-

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. Tangible fixed assets

Group

	Improve- ments to property £	Plant and machinery £	Motor vehicles £	New brewery plant and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2016	225,627	237,005	88,727	183,020	24,276	758,655
Additions	63,016	-	39,339	2,813,561	186,577	3,102,493
Disposals	-	-	(27,845)	-	(1,022)	(28,867)
At 31 March 2017	<u>288,643</u>	<u>237,005</u>	<u>100,221</u>	<u>2,996,581</u>	<u>209,831</u>	<u>3,832,281</u>
Depreciation						
At 1 April 2016	70,759	122,216	69,378	35,963	18,383	316,699
Charge for the period on owned assets	24,828	33,641	14,211	7,789	41,271	121,740
Charge for the period on financed assets	-	6,200	3,469	-	-	9,669
Disposals	-	-	(27,845)	-	(168)	(28,013)
At 31 March 2017	<u>95,587</u>	<u>162,057</u>	<u>59,213</u>	<u>43,752</u>	<u>59,486</u>	<u>420,095</u>
Net book value						
At 31 March 2017	<u>193,056</u>	<u>74,948</u>	<u>41,008</u>	<u>2,952,829</u>	<u>150,345</u>	<u>3,412,186</u>
At 31 March 2016	<u>154,868</u>	<u>114,789</u>	<u>19,349</u>	<u>147,057</u>	<u>5,893</u>	<u>441,956</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	12,400	18,600
Motor vehicles	6,938	10,407
	<u>19,338</u>	<u>29,007</u>

THE WEST BERKSHIRE BREWERY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Tangible fixed assets (continued)

Company

	Improve- ments to property £	Plant and machinery £	Motor vehicles £	New brewery plant and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2016	225,627	237,005	88,727	183,020	24,276	758,655
Additions	-	-	39,339	2,813,561	23,275	2,876,175
Disposals	-	-	(27,845)	-	(1,022)	(28,867)
At 31 March 2017	<u>225,627</u>	<u>237,005</u>	<u>100,221</u>	<u>2,996,581</u>	<u>46,529</u>	<u>3,605,963</u>
Depreciation						
At 1 April 2016	70,759	122,216	69,378	35,963	18,383	316,699
Charge for the period on owned assets	16,312	33,641	14,211	7,789	8,611	80,564
Charge for the period on financed assets	-	6,200	3,469	-	-	9,669
Disposals	-	-	(27,845)	-	(168)	(28,013)
At 31 March 2017	<u>87,071</u>	<u>162,057</u>	<u>59,213</u>	<u>43,752</u>	<u>26,826</u>	<u>378,919</u>
Net book value						
At 31 March 2017	<u>138,556</u>	<u>74,948</u>	<u>41,008</u>	<u>2,952,829</u>	<u>19,703</u>	<u>3,227,044</u>
At 31 March 2016	<u>154,868</u>	<u>114,789</u>	<u>19,349</u>	<u>147,057</u>	<u>5,893</u>	<u>441,956</u>

Finance leases

All group assets held under finance leases are assets of the Company.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15. Fixed asset investments

Subsidiary undertakings

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

Name	Class of shares	Holding	Country of incorporation
Renegade Brewery Limited	Ordinary shares	100 %	England and Wales
The Renegade Pub Co.1 Limited	Ordinary shares	100 %	England and Wales
The Renegade Pub Co.2 Limited	Ordinary shares	100 %	England and Wales

Renegade Brewery Limited is dormant.

The Renegade Pub Co.1 Limited is that of a public house. Its financial period end is 31 March.

The Renegade Pub Co.2 Limited (previously known as The Royal County of Berkshire Brewery Company Limited) is dormant.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

15. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	3
At 31 March 2017	3
Net book value	
At 31 March 2017	3
At 31 March 2016	3

16. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Raw materials	53,598	53,351	53,598	53,351
Work in progress	28,613	20,300	28,613	20,300
Finished goods	187,749	243,664	166,703	243,664
	269,960	317,315	248,914	317,315

THE WEST BERKSHIRE BREWERY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due after more than one year				
Financial instruments	21,226	-	21,226	-
	<u>21,226</u>	<u>-</u>	<u>21,226</u>	<u>-</u>
	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due within one year				
Trade debtors	195,808	209,125	195,808	209,125
Amounts owed by group undertakings	-	-	644,612	-
Other debtors	119,614	7,978	83,660	7,978
Prepayments	26,347	33,761	25,403	33,761
Financial instruments	28,007	-	28,007	-
	<u>369,776</u>	<u>250,864</u>	<u>977,490</u>	<u>250,864</u>

Amounts owed by group undertakings are repayable on demand and not interest bearing.

18. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	838,385	2,869,355	809,093	2,869,355
	<u>838,385</u>	<u>2,869,355</u>	<u>809,093</u>	<u>2,869,355</u>

THE WEST BERKSHIRE BREWERY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

19. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	602,486	105,069	555,134	105,069
Amounts owed to group undertakings	-	-	3	-
Social security and other taxes	102,937	103,598	95,084	103,598
Obligations under finance lease and hire purchase contracts	11,590	15,321	11,590	15,321
Other creditors	7,526	18,538	565	18,541
Accruals and deferred income	104,271	58,635	83,216	58,635
	<u>828,810</u>	<u>301,161</u>	<u>745,592</u>	<u>301,164</u>

Amounts owed to group undertakings are repayable on demand and not interest bearing.

20. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Net obligations under finance leases and hire purchase contracts	-	11,598	-	11,598
Accruals and deferred income	26,635	30,254	26,635	30,254
	<u>26,635</u>	<u>41,852</u>	<u>26,635</u>	<u>41,852</u>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Within one year	11,590	15,321	11,590	15,321
Between 1-5 years	-	12,006	-	12,006
	<u>11,590</u>	<u>27,327</u>	<u>11,590</u>	<u>27,327</u>

THE WEST BERKSHIRE BREWERY PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

22. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at fair value through profit or loss	887,618	2,869,355	858,326	2,890,581
Financial assets that are debt instruments measured at amortised cost	315,422	217,103	924,080	195,877
	<u>1,203,040</u>	<u>3,086,458</u>	<u>1,782,406</u>	<u>3,086,458</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(710,947)	(179,189)	(635,582)	(179,192)
	<u>(710,947)</u>	<u>(179,189)</u>	<u>(635,582)</u>	<u>(179,192)</u>

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents and forward contracts relating to the purchase of hops.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings and other creditors.

23. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2,854,820 (2016 - 2,246,960) Ordinary shares shares of £0.10 each	<u>285,482</u>	<u>224,696</u>

The Group issued 593,060 ordinary shares during the year with a total nominal value of £59,306 for a total consideration of £1,554,496.

During the year, the Group received consideration £44,400 for 14,800 ordinary shares with a total nominal value of £1,480 for share issued on 5 April 2017.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

24. Reserves

Share premium account

Share premium account is the cumulative total of the amounts which the Group has received for a share issues in excess of its nominal value.

Profit and loss account

The profit and loss account is the accumulated profit or losses at the year end date.

25. Share based payments

The Group operates an Enterprise Management Incentive Plan under which certain employees have been granted options to subscribe to new ordinary share of the Group.

The share based payment charge for the year was £58,807 (2016: £19,627).

The movement in the number and weighted average exercise price of the share options during the year were as follows:

	Weighted average exercise price (pence) 2017	Number 2017	Weighted average exercise price (pence) 2016	Number 2016
Outstanding at the beginning of the year	98	237,009	63	98,000
Granted during the year	-	-	118	154,509
Forfeited during the year	-	-	87	(10,500)
Exercised during the year	-	-	60	(5,000)
Outstanding at the end of the year	98	237,009	98	237,009

	2017	2016
Valuation	Black-Scholes	Black-Scholes
Option pricing model used		
Weighted average share price (pence)	300	300
Exercise price (pence)	98	98
Weighted average contractual life (years)	6	6
Expected volatility	62%	62%
Risk-free interest rate	1%	1%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

26. Prior year adjustments

In November 2014, the Group authorised a bonus issue of ordinary share capital and share premium of £94,516 was utilised in the bonus issue. However, at the date of the issue, the total of the share premium reserve was £45,485. Therefore the share premium reserve was negative £49,031 until new shares were issued at a premium in January 2015.

A prior year adjustment has been posted to reallocate this amount between the share premium reserve and profit and loss account. There has been no change to the previously reported profit for the year or net assets of the Group.

The Group granted share options to employees in the years ended 31 March 2013, 31 March 2014 and 31 March 2016 but no fair value charge was recognised in those periods. The Group has chosen not to separately disclose the share based payment reserve, therefore the prior year adjustment is limited to the the Statement of comprehensive income and Statement of changes in equity for the year ended 31 March 2016. The profit for the year has reduced by £19,627; there is no change to the net assets of the Group.

The Group previously recognised a deferred tax liability of £79,156 at 31 March 2016 and £75,748 at 31 March 2015, however the Group had taxable losses giving rise to deferred tax assets at these dates. On the basis the liabilities will not crystallise, the provision has been written down to £Nil at 31 March 2016 and £26,022 at 31 March 2015. These adjustments led to the following changes to the previously reported figures:

- an increase in the net assets at 31 March 2015 of £49,720;
- an increase in the profit for the year ended 31 March 2016 of £29,436; and
- an increase in the net assets at 31 March 2016 of £79,156.

27. Commitments under operating leases

At 31 March 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Land and buildings				
Not later than 1 year	150,500	38,000	100,500	38,000
Later than 1 year and not later than 5 years	618,000	15,833	418,000	15,833
Later than 5 years	1,057,000	-	1,007,000	-
	<u>1,825,500</u>	<u>53,833</u>	<u>1,525,500</u>	<u>53,833</u>

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28. Related party transactions

The Group has taken advantage of the exemption under Section 33 of FRS102 not to disclose transactions with wholly owned group members.

During the year ended 31 March 2017, the Group made sales totalling £73,938 (2016: £15,032) to 6 companies with common directors (2016: 2 companies).

At the balance sheet date the total amount due from companies with common directors was £23,251 (2016: £831).

During the year ended 31 March 2017, the Group made purchases totalling £54,190 (2016: £45,000) to 2 companies with common directors (2016: 2 companies).

At the balance sheet date the total amount due to companies with common directors was £5,000 (2016: £12,336).

29. Post balance sheet events

Following the year end, the Group has issued 470,437 ordinary shares with a nominal value of £0.10 for a total consideration of £1,294,599.