

THE WEST BERKSHIRE BREWERY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

THE WEST BERKSHIRE BREWERY PLC

COMPANY INFORMATION

Directors	Mr A D M Bruce (Chairman) Mr A W Dickson (appointed 30 July 2018) Mr T A R Lucas ACCA Mr S G Robertson-Macleod
Company secretary	Mr T A R Lucas ACCA
Registered number	03667842
Registered office	8th Floor South 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

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THE WEST BERKSHIRE BREWERY PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

This is the sixth Chairman's Statement I have written since our company's founders, Dave and Helen Maggs, invited me to become chairman in March 2013.

In my last statement, I reflected that our year ending March 2018 was a metamorphosis, a crystallisation of our vision and the turning of our 5-year corporate plan into reality.

Having installed and commissioned our new production and packaging plant, in this ensuing 12-month period we turned our focus onto the sales and marketing function. We introduced a comprehensive, insight-driven, sales and marketing strategy and set about recruiting, developing and training a high-calibre sales team for both the on and off-trade channels. This work is already bearing significant fruit, as graphically illustrated by the growth in the sales of our beers across all formats – pints, bottles and cans – for the year to March 2019 – versus the prior year:

- Total pints sold: 3.2m 2018: 2.05m – a 56% increase
- Total bottles sold: 662k 2018: 373k – a 77% increase
- Total cans sold: 2.14m 2018: 267k – a 700% increase

Sales from our contract brewing and packaging business continue to grow, and our brewery Taproom & Kitchen continues to exceed all our expectations. Having acquired the leasehold of The Grapes in Oxford, these key sales initiatives have achieved record revenue growth for our Company of 88% with sales of £6.2m., up from £3.3m. in 2018 and £2.6m, in 2017.

This encouraging revenue growth is a direct result of our strategy to diversify revenue streams whilst remaining focussed on continuing to develop our brewery operation and our portfolio of brands into one of the most respected quality brewers in the UK. The table below illustrates the areas of revenue growth:

- Brewery sales: £3.6m 2018: £2.3m
- Contract sales: £0.8m 2018: nil
- Taproom sales: £1m 2018: £0.3m
- Depot sales: £0.9m 2018: £0.8m

This exciting rate of growth is validation of our investments and strategy, and our dedication to developing our business in the correct way, installing the right team, processes and infrastructure to facilitate volume growth and, with this, enhanced brand and shareholder value. As the numbers above show, this work is beginning to bear fruit.

Having identified the urgent requirement for a robust marketing and sales strategy, our managing director Tom Lucas led a thorough and comprehensive brand and market positioning exercise, resulting in the codification of our existing beliefs and values, and entrenching them through the business.

"Tradition with ambition" is our mantra – a blend of respect for heritage and love of traditional British beers with the edge of modernity and quality that is key to getting our message out to every beer drinker in the UK, and beyond – to demand great tasting, balanced and high-quality beers that are brilliantly made with integrity and passion.

This exercise is now complete and as well as adopting a new badge shape, inspired by our new brewery building, we have refined and fine-tuned our portfolio with some exciting new releases coming in 2020.

The review of our sales and marketing department also encompassed a review of the sales team structure and, accordingly, in November 2018 WBB hired an on-trade sales controller. Davina Ford joined the company with a brief to help organically grow the sales team and the rate of sales in outlets. As a result, and subsequent to the year ended March 2019, we are delighted to be able to announce that rates of sale per outlet, gross margin, outlet retention and volumes are all increasing, and despite some challenges, the

on-trade team is well placed to take advantage of the increasing prospects for the company. We are delighted to announce that Davina was promoted to head of sales in December 2019.

THE WEST BERKSHIRE BREWERY PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

During the 12-month period, the whole team was strengthened across the business as the company continued to build a robust and stable foundation for accelerating growth. Total permanent staff numbers increased by two thirds across the business, to 50 full-time employees. Subsequent to 31 March 2019, we have continued to strengthen the company with recruitment in sales, marketing, finance and operations.

Alongside rapid growth in the financial year, the company also endured some significant production challenges for the period ending March 2019, and into the first half of the current year. It has proven to be an extremely tough and challenging period across many fronts as we continue to build on our success and our investments.

Having commissioned the new brewery in October 2017, we were presented with some significant production and packaging problems. In January 2018, Andrew Dickson joined us as director of production and packaging, following his successful career at Meantime as head brewer. Andrew led the brewing team through a period of transition and training, and by the summer the company was well positioned to take advantages of the investments made; an arrangement with a well-known national grocery chain promised to absorb spare capacity, and the sales and marketing team were gearing up for a busy summer.

However, this was not to be the case: firstly, we were hit by the pan-European CO2 shortage which reduced our production of all beers apart from draught cask products to an absolute minimum. Shortly after this, we encountered unprecedented and unpredicted issues at the brewery site with the water from the well which supplies production. The incredibly hot summer was great for sales and for beer drinkers and holiday makers across the country, but a side effect was that the water supply on our site quite literally dried up and despite having mains supply we were reduced to brewing between four and eight times a week, and for a period of time could not wash our own containers. This had significant production and cost implications. I am delighted to say that this has now been sorted and will never present us with an issue again.

In addition to this, we were not able to trade outside in our Taproom garden due to issues regarding permissions, and accordingly our sales through the Taproom were impacted at what should have been our busiest-ever period. I am pleased to say that this is now no longer an issue and our garden area and site parking facilities are now complete for all of our many visitors and friends who visit the brewery every week.

These exceptional issues cost the business c.£800,000 in exceptional expenses, costs of rectification in addition to significant, unquantified, opportunity costs. Alongside these exceptional costs, we also increased our fixed overheads by £250,000 with the addition of 30,000 ft2 more space rented from our landlords, Yattendon Estates, and the associated council tax expense; our marketing repositioning was an important but costly exercise; the investments in personnel were accompanied by agency fees; and, as always, there was a lag between the investment in the sales team, and the returns on this investment.

The table below shows the reconciliation from operating loss to adjusted operating EBITDA, which demonstrates the underlying momentum gaining pace within the business:

Reconciliation to adjusted Operating EBITDA*

Operating loss	(£2,993,062)
Depreciation, impairments & amortisation	£884,589
Share option charge	£228,191
Fair value movements	£43,185
Accrual related to rent incentive	£178,500
Change in stock valuation method	£157,454
Exceptional & other non-recurring items	
Expenses incurred due to the failure of water and CO2	£357,818
Cask rental & repatriation cost	£102,676
Recruitment	£113,406
Legal fees regarding contracts and site	£19,307
Rebrand and market positioning	£96,056
Sales team investment	£68,938
Discretionary bonus payments	£80,639
Expenses related to fundraising	£11,024
Adjusted operating EBITDA loss	(£651,279)

THE WEST BERKSHIRE BREWERY PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

There was significant stress throughout the business as a result of the challenges outlined above, and it was with sadness that we also accepted the resignation of non-executive directors Peter Whitehead and Sheila McKenzie, who left the company to pursue other opportunities.

Throughout early and mid-2019 there was significant disruption in the finance department. Managing a business in fast and revolutionary growth, and one which was experiencing significant 'teething' challenges amidst a brewery move and operational transformation was difficult and as a result there was a period of instability. This resulted in a delay in completion of the audit and financial statements. Thankfully, Tom Lucas, our MD, was able to resume the finance role alongside his other responsibilities to complete the accounts and stabilise the finance function. The finance team has been rebuilt and a new financial controller joined in January 2020.

Current trading and finance

Since the start of the new financial year in April, and despite some initial setbacks, the core business is growing and the investments we have made in infrastructure and personnel are continuing to bear fruit.

We continue to be dedicated to developing our business in the correct way, having installed the right team, processes and infrastructure in order to facilitate volume growth and, thereby, enhanced brand and shareholder value.

This is a result of organic sales growth of 30% in beer volumes and our strategy to diversify revenue streams and reduce manufacturing costs, which has helped increase our gross profit margin to 62% from 38%. This in turn means that we continue to make inroads into our overhead base and are well within sight of breakeven and positive EBITDA which we anticipate will come when turnover hits £8m with continued sales growth projected thereafter.

Our investment into sales and marketing is having a positive return and we are delighted to be in a position to be able to announce a partnership with one of the nation's largest wholesalers, to work with us as a strategic route-to-market partner for our brands, giving us further penetration in the on trade and the wherewithal to grow our brand and spread our message further and wider than ever before.

The Board believes that though the investment phase of the business has been completed there is a cash requirement to support working capital within the next 12 months, to support the Group's continued and accelerating growth. The Board is working with advisors to explore appropriate options for securing this finance.

David Bruce

Chairman

Date

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Business review

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

Key risks and uncertainties

Directors and 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 Managing Director, Tom Lucas, 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 which may 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 continue 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.

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.

THE WEST BERKSHIRE BREWERY PLC

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

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 against KPIs can be found in the Chairman's statement.

6 February 2020.

.....
Mr T A R Lucas ACCA
Director

THE WEST BERKSHIRE BREWERY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors

The directors who served during the year were:

Mr A D M Bruce (Chairman)

Mr A W Dickson (appointed 30 July 2018)

Mr T A R Lucas ACCA

Mr S G Robertson-Macleod

Mrs S McKenzie Straughan (appointed 1 August 2018, resigned 25 February 2019)

Mr P W Whitehead (appointed 21 September 2018, resigned 12 December 2018)

Mrs S I Herriman (appointed 13 February 2019, resigned 19 August 2019)

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 to 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 £3,310,194 (2018: loss £2,274,312).

No dividends are proposed or paid in the year (2018: £Nil)

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 2019**

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

Since the end of the financial year, the Company issued a further 105,100 £0.10 ordinary shares for a total consideration of £525,500.

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 and signed on its behalf.

.....
Mr T A R Lucas ACCA

Director

Date: 6 February 2020

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

Opinion

We have audited the financial statements of The West Berkshire Brewery PLC (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2019 and of the Group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.4 in the financial statements, which explains that the group requires additional equity or debt finance in order to finance its operations for the foreseeable future.

The directors have prepared the financial statements on a going concern basis, the validity of which depends upon the success of the directors in raising sufficient additional funds, which is inherently uncertain. The quantum of funds required is also inherently uncertain as it is dependent on the future trading performance of the group and the cash flows arising therefrom.

The above factors mean that that a material uncertainty exists that may cast significant doubt on the Group's and the parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters 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 the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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.

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

6 February 2020

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	6,229,251	3,341,738
Cost of sales		(5,009,466)	(2,036,650)
Gross profit		1,219,785	1,305,088
Administrative expenses		(4,172,998)	(3,450,080)
Other operating income	5	3,336	3,304
Fair value movements		(43,185)	(44,722)
Operating loss	6	(2,993,062)	(2,186,410)
Share of loss of associates		(118,384)	(61,352)
Total operating loss		(3,111,446)	(2,247,762)
Interest receivable	10	501	610
Interest payable	11	(199,249)	(27,160)
Loss before taxation		(3,310,194)	(2,274,312)
Loss for the financial year		(3,310,194)	(2,274,312)

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 18 to 39 form part of these financial statements.

THE WEST BERKSHIRE BREWERY PLC
REGISTERED NUMBER: 03667842

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	9,287,463	6,912,061
Investments	15	1,075,064	1,188,648
		<u>10,362,527</u>	<u>8,100,709</u>
Current assets			
Stocks	16	486,325	554,488
Debtors	17	982,423	584,175
Cash at bank and in hand	18	887,569	930,351
		<u>2,356,317</u>	<u>2,069,014</u>
Creditors: amounts falling due within one year	19	<u>(2,540,272)</u>	<u>(1,066,397)</u>
Net current (liabilities)/assets		<u>(183,955)</u>	<u>1,002,617</u>
Total assets less current liabilities		<u>10,178,572</u>	<u>9,103,326</u>
Creditors: amounts falling due after more than one year	20	<u>(4,763,669)</u>	<u>(2,143,583)</u>
Net assets		<u><u>5,414,903</u></u>	<u><u>6,959,743</u></u>
Capital and reserves			
Called up share capital	24	484,158	441,763
Share premium account	25	10,898,158	9,403,390
Other reserves	25	181,759	181,759
Profit and loss account	25	(6,149,172)	(3,067,169)
Equity attributable to owners of the parent Company		<u><u>5,414,903</u></u>	<u><u>6,959,743</u></u>
		<u><u>5,414,903</u></u>	<u><u>6,959,743</u></u>

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

.....
Mr T A R Lucas ACCA
Director

Date: 6 February 2020

The notes on pages 18 to 39 form part of these financial statements.

THE WEST BERKSHIRE BREWERY PLC
REGISTERED NUMBER: 03667842

COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	9,169,507	6,756,846
Investments	15	1,254,803	1,250,003
		<u>10,424,310</u>	<u>8,006,849</u>
Current assets			
Stocks	16	450,725	532,129
Debtors	17	1,055,687	658,304
Cash at bank and in hand	18	782,678	914,298
		<u>2,289,090</u>	<u>2,104,731</u>
Creditors: amounts falling due within one year	19	<u>(2,384,094)</u>	<u>(955,818)</u>
Net current (liabilities)/assets		<u>(95,004)</u>	<u>1,148,913</u>
Total assets less current liabilities		<u>10,329,306</u>	<u>9,155,762</u>
Creditors: amounts falling due after more than one year	20	<u>(4,763,669)</u>	<u>(2,143,583)</u>
Net assets		<u><u>5,565,637</u></u>	<u><u>7,012,179</u></u>
Capital and reserves			
Called up share capital	24	484,158	441,763
Share premium account	25	10,898,158	9,403,390
Other reserves	25	181,759	181,759
Profit and loss account	25	<u>(5,998,438)</u>	<u>(3,014,733)</u>
		<u><u>5,565,637</u></u>	<u><u>7,012,179</u></u>

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

.....
Mr T A R Lucas ACCA
 Director

Date: 6 February 2020

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2017	285,482	4,953,510	-	(836,960)	4,402,032
Comprehensive income for the year					
Loss for the year	-	-	-	(2,274,312)	(2,274,312)
Total comprehensive income for the year	-	-	-	(2,274,312)	(2,274,312)
Shares issued during the year	156,281	4,449,880	-	-	4,606,161
Share based payment charge	-	-	-	44,103	44,103
Equity element of convertible loan notes issued	-	-	181,759	-	181,759
Total transactions with owners	156,281	4,449,880	181,759	44,103	4,832,023
At 1 April 2018	441,763	9,403,390	181,759	(3,067,169)	6,959,743
Comprehensive income for the year					
Loss for the year	-	-	-	(3,310,194)	(3,310,194)
Total comprehensive income for the year	-	-	-	(3,310,194)	(3,310,194)
Shares issued during the year	42,395	1,494,768	-	-	1,537,163
Share based payment charge	-	-	-	228,191	228,191
Total transactions with owners	42,395	1,494,768	-	228,191	1,765,354
At 31 March 2019	<u>484,158</u>	<u>10,898,158</u>	<u>181,759</u>	<u>(6,149,172)</u>	<u>5,414,903</u>

The notes on pages 18 to 39 form part of these financial statements.

THE WEST BERKSHIRE BREWERY PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2017	285,482	4,953,510	-	(727,449)	4,511,543
Loss for the year	-	-	-	(2,331,387)	(2,331,387)
Total comprehensive income for the year	-	-	-	(2,331,387)	(2,331,387)
Shares issued during the year	156,281	4,449,880	-	-	4,606,161
Share based payment charge	-	-	-	44,103	44,103
Equity element of convertible loan notes issued	-	-	181,759	-	181,759
Total transactions with owners	156,281	4,449,880	181,759	44,103	4,832,023
At 1 April 2018	441,763	9,403,390	181,759	(3,014,733)	7,012,179
Loss for the year	-	-	-	(3,211,896)	(3,211,896)
Total comprehensive income for the year	-	-	-	(3,211,896)	(3,211,896)
Shares issued during the year	42,395	1,494,768	-	-	1,537,163
Share based payment charge	-	-	-	228,191	228,191
Total transactions with owners	42,395	1,494,768	-	228,191	1,765,354
At 31 March 2019	484,158	10,898,158	181,759	(5,998,438)	5,565,637

The notes on pages 18 to 39 form part of these financial statements.

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(3,310,194)	(2,274,312)
Adjustments for:		
Impairment of intangible assets	-	345,944
Depreciation of tangible assets	884,589	640,153
(Profit)/Loss on disposal of tangible assets	(21,855)	215,062
Interest paid	199,249	27,160
Interest received	(501)	(610)
Decrease/(increase) in stocks	68,163	(284,528)
(Increase) in debtors	(481,934)	(132,157)
Decrease/(increase) in amounts owed by associates	79,570	(105,738)
Increase/(decrease) in creditors	1,076,470	(70,058)
Net fair value losses recognised in P&L	43,185	44,722
Share of operating profit in associates	118,384	61,352
Share based payment charge	228,191	44,103
Net cash generated from operating activities	(1,116,683)	(1,488,907)
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,291,483)	(4,355,090)
Sale of tangible fixed assets	53,347	-
Purchase of share in associates	-	(1,250,000)
Interest received	501	610
HP interest paid	(84,603)	(25,250)
Net cash from investing activities	(3,322,238)	(5,629,730)
Cash flows from financing activities		
Issue of ordinary shares	1,761,449	4,924,243
Expenses paid in connection with share issue	(224,287)	(318,082)
Other new loans	1,870,993	1,350,009
Net new finance leases	1,102,630	1,256,343
Interest paid	(114,646)	(1,910)
Net cash from financing activities	4,396,139	7,210,603

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Net (decrease)/increase in cash and cash equivalents	(42,782)	91,966
Cash and cash equivalents at beginning of year	930,351	838,385
Cash and cash equivalents at the end of year	887,569	930,351
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	887,569	930,351
	887,569	930,351

The notes on pages 18 to 39 form part of these financial statements.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 Old Dairy, Yattendon, Berkshire, RG18 0XT.

The principal activity of the Group is brewing and selling of beers and ales, and the operation and management of public houses.

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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

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.

The financial period for the Group's non-dormant subsidiary is a 53 week period to 31 March 2019.

2.3 Associates and joint ventures

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Going concern

The Group is currently loss-making and cash consumptive having been through a period of sustained investment into plant, pub acquisitions and business infrastructure.

The future cash consumption will depend on the trajectory of revenue and gross profit growth together with the overhead expenditure and amount of capital expenditure required to support this growth. The forecast of these items is inherently uncertain.

Following the substantial investments made during the past 4 years the Directors believe that the Group's production capability is sufficient for its needs to grow volume beer sales from 16k hectolitres to 50k hectolitres and as such no further significant capital investment is envisaged in the calendar year 2020. Should the rate of revenue and volume growth increase significantly the Board would consider additional investment, subject to appropriate funding.

Following investment into the personnel and staff infrastructure, the Board believes that there are no additional human resources required to drive growth and there are no plans to increase the levels of staff in the calendar year 2020. Should the rate of revenue growth increase significantly the Board would consider additional recruitment as necessary.

Investment into additional business overheads will be limited to only supporting immediate revenue and volume growth.

The Board believes that though the investment phase of the business has been completed there is a cash requirement to support working capital within the next 12 months, to support the Group's continued and accelerating growth. The Board is working with advisors to explore appropriate options for securing this finance and based upon these discussions the Board has a reasonable expectation that sufficient funds will be raised however there can be no certainty of this.

On this basis the Directors have concluded that it is appropriate to prepare the financial statements on the basis of a going concern. These financial statements do not include any adjustments that may be necessary should the Company be unsuccessful in raising the required finance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.5 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 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.

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

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:

Improvements to property	- Over term of lease
Plant and machinery	- 10% - 20% on cost
Motor vehicles	- 25% on cost
Fixtures and fittings	- 25% on cost
New brewery plant and equipment	- 4% 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.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.12 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.

2.13 Financial instruments

The Group only enters into basic financial instrument 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 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.18 Pensions

Defined contribution pension plan

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

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

2.19 Interest income

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

2.20 Borrowing costs

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

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 and 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.

Impairment

Assets are assessed for impairment when indicators of impairment exist. Impairment reviews consist of estimating the current value (which is considered to be the higher of value in use and recoverable amount) of the assets in question and comparing against the carrying value. Such estimations are inherently judgemental and are predicated on estimation of the future cash flows generated by the assets in question.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Turnover

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

	2019 £	2018 £
Brewery	5,321,153	2,521,389
Pub	908,098	820,349
	<u>6,229,251</u>	<u>3,341,738</u>

5. Other operating income

	2019 £	2018 £
Government grants receivable	<u>3,336</u>	<u>3,304</u>

6. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Other operating lease rentals	<u>1,378</u>	<u>-</u>

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>19,050</u>	<u>15,400</u>

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance and other services	<u>4,150</u>	<u>4,000</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8. Employees

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

	2019 No.	2018 No.
Production	16	6
Administration and support	10	19
Distribution	9	5
Pub staff	16	16
	<hr/>	<hr/>
	51	46

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

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

	2019 £	2018 £
Wages and salaries	1,530,668	1,190,182
Social security costs	136,311	106,011
Compensation for loss of office	-	20,686
Pension costs	15,847	5,895
	<hr/>	<hr/>
	1,682,826	1,322,774

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	315,364	216,627
Company contributions to defined contribution pension schemes	1,545	652
Compensation for loss of office as director	-	20,686
	<u>316,909</u>	<u>237,965</u>

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £113,466 (2018 - £129,209).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £806 (2018 - £391).

10. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>501</u>	<u>610</u>

11. Interest payable and similar expenses

	2019 £	2018 £
Other loan interest payable	114,646	-
Finance leases and hire purchase contracts	84,603	27,160
	<u>199,249</u>	<u>27,160</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Taxation

	2019 £	2018 £
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(3,310,194)	(2,274,312)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(526,916)	(432,119)
Effects of:		
Expenses not deductible for tax purposes	279,391	351,690
Deferred tax asset not recognised	247,525	80,429
Total tax charge for the year	-	-

Factors that may affect future tax charges

Legislation has been passed to reduce the rate of UK corporation tax to 17% from 1 April 2020.

The Group has approximately £5,000,000 (2018: £3,500,000) of taxable losses to carry forward. The Group has an unrecognised deferred tax asset of approximately £850,000 (2018: £600,000) 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 2019

13. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2018	399,998
At 31 March 2019	399,998
Impairment	
At 1 April 2018	399,998
At 31 March 2019	399,998
Net book value	
At 31 March 2019	-
At 31 March 2018	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Tangible fixed assets

Group

	Improve-ments to property £	Plant and machinery £	Motor vehicles £	New brewery plant and equipment £	Computer equipment £
Cost or valuation					
At 1 April 2018	424,865	3,948,246	100,619	3,175,091	226,664
Additions	45,492	2,256,070	37,631	901,454	50,836
Disposals	(1,253)	-	-	(30,239)	-
At 31 March 2019	469,104	6,204,316	138,250	4,046,306	277,500
Depreciation					
At 1 April 2018	79,681	564,031	77,030	135,438	107,244
Charge for the year	48,623	587,915	23,162	200,932	23,957
At 31 March 2019	128,304	1,151,946	100,192	336,370	131,201
Net book value					
At 31 March 2019	340,800	5,052,370	38,058	3,709,936	146,299
At 31 March 2018	345,184	3,384,215	23,589	3,039,653	119,420

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 April 2018	7,875,485
Additions	3,291,483
Disposals	(31,492)
	<hr/>
At 31 March 2019	11,135,476
	<hr/>
Depreciation	
At 1 April 2018	963,424
Charge for the year	884,589
	<hr/>
At 31 March 2019	1,848,013
	<hr/>
Net book value	
At 31 March 2019	<u>9,287,463</u>
At 31 March 2018	<u>6,912,061</u>

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

	2019 £	2018 £
Plant and machinery	2,300,928	1,103,450
Motor vehicles	-	3,469
	<hr/>	<hr/>
	<u>2,300,928</u>	<u>1,106,919</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Tangible fixed assets (continued)

Company

	Improve-ments to property	Plant and machinery	Motor vehicles	New brewery plant and equipment	Computer equipment
	£	£	£	£	£
Cost or valuation					
At 1 April 2018	361,849	3,948,246	100,619	3,161,030	63,362
Additions	45,492	2,256,070	37,631	892,946	50,836
Disposals	(1,253)	-	-	(30,239)	-
At 31 March 2019	406,088	6,204,316	138,250	4,023,737	114,198
Depreciation					
At 1 April 2018	62,649	564,031	77,030	135,438	39,112
Charge for the year	40,030	587,915	23,162	164,735	22,980
At 31 March 2019	102,679	1,151,946	100,192	300,173	62,092
Net book value					
At 31 March 2019	303,409	5,052,370	38,058	3,723,564	52,106
At 31 March 2018	299,200	3,384,215	23,589	3,025,592	24,250

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 April 2018	7,635,106
Additions	3,282,975
Disposals	(31,492)
	<hr/>
At 31 March 2019	10,886,589
	<hr/>
Depreciation	
At 1 April 2018	878,260
Charge for the year	838,822
	<hr/>
At 31 March 2019	1,717,082
	<hr/>
Net book value	
At 31 March 2019	<u>9,169,507</u>
At 31 March 2018	<u>6,756,846</u>

Finance leases

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. Fixed asset investments

Group

	Investments in associates £
Cost or valuation	
At 1 April 2018	1,188,648
Additions	4,800
Share of profit/(loss)	(118,384)
	<hr/>
At 31 March 2019	<u>1,075,064</u>

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 April 2018	3	1,250,000	1,250,003
Additions	-	4,800	4,800
	<hr/>	<hr/>	<hr/>
At 31 March 2019	<u>3</u>	<u>1,254,800</u>	<u>1,254,803</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Renegade Brewery Limited	Ordinary shares	100 %
The Renegade Pub Co.1 Limited	Ordinary shares	100 %
The Renegade Pub Co.2 Limited	Ordinary shares	100 %
Maverick Pubs (Holdings) Limited	Ordinary shares	20 %
Maverick Pubs Limited	Ordinary shares	20 %

Renegade Brewery Limited is dormant.

The Renegade Pub Co.1 Limited's principal activity is operating a public house. Its financial period end is 31 March.

The Renegade Pub Co.2 Limited is dormant.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	123,964	131,370	108,064	122,454
Work in progress (goods to be sold)	75,986	108,726	75,986	108,726
Finished goods and goods for resale	286,375	314,392	266,675	300,949
	<u>486,325</u>	<u>554,488</u>	<u>450,725</u>	<u>532,129</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Due after more than one year				
Financial instruments	-	395	-	395
	<u>-</u>	<u>395</u>	<u>-</u>	<u>395</u>
Due within one year				
Trade debtors	724,300	371,577	724,300	371,577
Amounts owed by group undertakings	-	-	120,988	124,014
Amounts owed by joint ventures and associated undertakings	26,168	105,738	26,168	105,738
Other debtors	76,169	67,018	31,353	23,955
Prepayments and accrued income	155,786	35,331	152,878	28,509
Financial instruments	-	4,116	-	4,116
	<u>982,423</u>	<u>584,175</u>	<u>1,055,687</u>	<u>658,304</u>

18. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>887,569</u>	<u>930,351</u>	<u>782,678</u>	<u>914,298</u>

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	1,100,220	292,583	1,060,348	259,614
Amounts owed to group undertakings	-	-	-	3
Other taxation and social security	146,704	130,644	110,835	100,290
Obligations under finance lease and hire purchase contracts	702,137	292,600	702,137	292,600
Other creditors	137,667	50,018	86,692	34,808
Accruals and deferred income	414,870	300,552	385,408	268,503
Financial instruments	38,674	-	38,674	-
	<u>2,540,272</u>	<u>1,066,397</u>	<u>2,384,094</u>	<u>955,818</u>

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans	3,039,243	1,168,250	3,039,243	1,168,250
Net obligations under finance leases and hire purchase contracts	1,668,426	975,333	1,668,426	975,333
Other creditors	56,000	-	56,000	-
	<u>4,763,669</u>	<u>2,143,583</u>	<u>4,763,669</u>	<u>2,143,583</u>

21. Loans

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due 2-5 years				
Convertible loans	3,039,243	1,168,250	3,039,243	1,168,250
	<u>3,039,243</u>	<u>1,168,250</u>	<u>3,039,243</u>	<u>1,168,250</u>

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22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Within one year	574,142	292,600	574,142	292,600
Between 1-5 years	1,668,426	975,333	1,668,426	975,333
	<u>2,242,568</u>	<u>1,267,933</u>	<u>2,242,568</u>	<u>1,267,933</u>

23. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Cash at bank	887,569	934,862	782,678	918,809
Financial assets that are debt instruments measured at amortised cost	826,637	544,333	902,809	625,284
	<u>1,714,206</u>	<u>1,479,195</u>	<u>1,685,487</u>	<u>1,544,093</u>
Financial liabilities				
Derivative financial instruments measured at fair value through profit or loss	(38,674)	-	(38,674)	-
Financial liabilities measured at amortised cost	(4,724,669)	(1,784,736)	(4,681,922)	(1,876,445)
	<u>(4,763,343)</u>	<u>(1,784,736)</u>	<u>(4,720,596)</u>	<u>(1,876,445)</u>

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, other creditors, accrual and loans.

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24. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
4,841,580 (2018 - 4,417,630) Ordinary shares of £0.10 each	<u>484,158</u>	<u>441,763</u>

The Group issued 423,948 ordinary shares during the year with a total nominal value of £42,395 for a total consideration of £1,791,449.

25. 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.

Other reserves

The other reserve is value of the equity element of the convertible loan facility introduced in the year ended 31 March 2018.

Profit and loss account

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

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26. 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 £228,191 (2018: £44,103).

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) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding at the beginning of the year	87	781,505	98	237,009
Granted during the year	0	-	200	633,636
Forfeited during the year	183	(140,000)	118	(89,140)
Exercised during the year	0	-	-	-
Outstanding at the end of the year	66	641,505	87	781,505

	2019	2018
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price (pence)	300	300
Exercise price (pence)	86	86
Weighted average contractual life (years)	6	6
Expected volatility	62%	62%
Risk-free interest rate	1%	1%

27. Commitments under operating leases

At 31 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	364,252	130,209	314,252	80,209
Later than 1 year and not later than 5 years	1,922,400	713,000	1,722,400	513,000
Later than 5 years	2,241,574	894,333	2,240,741	836,000
	4,528,226	1,737,542	4,277,393	1,429,209

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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 2019, the Group made sales totalling £149,914 (2018: £107,111) to 7 companies with common directors (2018: 8 companies).

At the balance sheet date the total amount due from companies with common directors was £18,534 (2018: £17,098).

During the year ended 31 March 2019, the Group made purchases totalling £26,075 (2018: £47,255) to 2 companies with common directors (2018: 2 companies).

At the balance sheet date the total amount due to companies with common directors was £nil (2018: £3,088).

During the year ended 31 March 2019, the Group made sales totalling £122,325 (2018: £39,390) to associates and purchases totalling £866 (2018: £nil) from associates. At the balance sheet date the amount due from associates was £26,168 (2018: £46,265).

During the year ended 31 March 2019, the Group made purchases totalling £53,395 (2018: £15,713) from directors. At the balance sheet date the company was owed £17 (2018: £914) from directors.

29. Post balance sheet events

Since the end of the financial year, the Company has issued a further 105,100 £0.10 ordinary shares for a total consideration of £525,500.

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