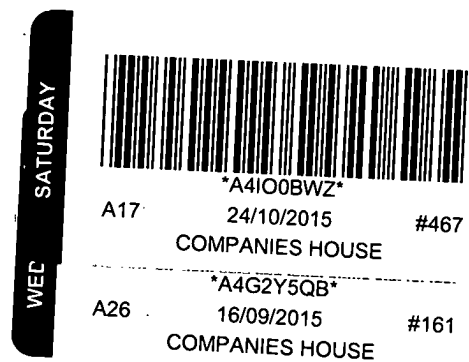


# Atlantic Beer Kitchen Limited

## ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended

31 December 2014



# Atlantic Beer Kitchen Limited

## COMPANY INFORMATION

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### COMPANY NUMBER

09010338

### REGISTERED OFFICE

Sharp's Brewery  
Pityme Industrial Estate  
Rock  
Wadebridge  
Cornwall  
PL27 6NU

### DIRECTORS

V Segebarth  
M Coyle  
S Kerry  
F Landtmeters

### COMPANY SECRETARY

S Shepherd

### BANKERS

National Westminster Bank plc  
26 Molesworth Street  
Wadebridge  
Cornwall  
PL27 7DL

Lloyds Bank plc  
City Office Gillingham (308012)  
PO Box 1000  
BX1 1LT

### SOLICITORS

TLT Solicitors  
One Redcliff Street  
Bristol  
BS99 7JZ

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Princess Court  
23 Princess Street  
Plymouth  
PL1 2EX

# Atlantic Beer Kitchen Limited

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# Atlantic Beer Kitchen Limited

## STRATEGIC REPORT

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### BUSINESS REVIEW

Atlantic Beer Kitchen Limited was incorporated on 24 April 2014 and started trading from 11 July 2014. It is a subsidiary company of Sharp's Brewery Ltd.

The first trading period for the Atlantic Beer Kitchen Limited running its first bar and restaurant (The Mariner's Rock) has been a successful period of discovery. From learning what customers do and don't want in terms of food, drinks and décor to discovering the seasonal impacts on the business and how the business functionality needs to be managed.

The Financial Statements report an initial loss in the period, however costs associated with getting started are included and the some seasonal trade was lost as a result of opening partway through the season. The Directors are confident that as the business settles into a day to day flow, and The Mariner's becomes an increasingly popular venue, the business will become profitable.

### Financial performance

	Period Ended 31 December 2014 £'000
Turnover	419
Gross profit	282
Loss before taxation on ordinary activities before taxation	(37)

### Strategy

The strategy over the forthcoming year is to continue to focus on the customer, monitoring trends and listening to their feedback to help drive improvements. We will maintain a fresh and contemporary look which ties into the Sharp's Brewery Ltd branding and provide popular, cost effective menu's and beverages to the customer.

### Turnover

The turnover in the trading period was £419k which is considered by the Directors to be a strong level for such a short trading period in a seasonal business.

### Funding

Intercompany loan funding has been provided by the company's parent undertaking to fund the company's expansion programme.

### Research and development

The company continues to monitor success at The Mariner's Rock using customer feedback and financial results. The business will be developed in line with these findings, and other trading opportunities considered in-line with experiences to date.

### Capital expenditure

Investment in the fabric and décor of the building of The Mariner's Rock has been necessary to introduce the Sharp's Brewery Ltd brand and ensure the venue is attractive to its customers.

### Future developments

The company will continue to develop its trading venues with attention paid to customer feedback and financial reporting as key drivers of change.

# Atlantic Beer Kitchen Limited

## STRATEGIC REPORT

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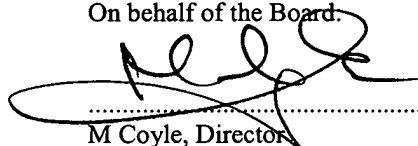
### Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risk facing the business.

### Seasonality

The industry is subject to seasonal sales fluctuations influenced by holiday periods and weather.

On behalf of the Board.



.....

M Coyle, Director

30/8/2015  
.....

Date

# Atlantic Beer Kitchen Limited

## REPORT OF THE DIRECTORS

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The directors present their report on the affairs of the company, together with the audited financial statements and the independent auditors' report, for the period to 31 December 2014.

### PRINCIPAL ACTIVITY

The principal activity of the company is overall management of pubs and restaurants.

### RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the period are shown in the attached financial statements, and are discussed further in the business review. No dividends were declared or paid in the period ended 31 December 2014.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments including loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are market risk, interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

#### **Market risk**

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. In this instance price risk and currency risk have been ignored as not considered material risks to the business. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company has a significant proportion of its debt in the form of a long-term loan from its parent undertaking.

#### **Interest rate risk**

The company finances its operations through a mixture of retained profits and intercompany loans provided by its' parent undertaking. The company has not to date committed to fixed interest rates.

#### **Credit risk**

The company's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from the company's trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the Credit Controller on a regular basis in conjunction with debt ageing and collection history.

### THE DIRECTORS

The directors who served the company during the period and up to the date of signing these financial statements, unless otherwise stated, were:

V Segebarth – appointed 24 April 2014  
M Coyle – appointed 24 April 2014  
S Cox – appointed 24 April 2014, resigned 2 February 2015  
S Kerry – appointed 2 February 2015  
F Landtmeters – appointed 2 February 2015

# Atlantic Beer Kitchen Limited

## REPORT OF THE DIRECTORS

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### CHARITABLE AND POLITICAL CONTRIBUTIONS

No political contributions were made during the period to 31 December 2014.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each of the persons who were directors at the time when this report was approved, in accordance with Section 418, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he / she has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

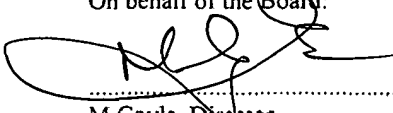
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

The directors are responsible for the maintenance and integrity of the company's website.

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the Board:

  
.....  
M Coyle, Director

30/8/2015  
.....  
Date

# Atlantic Beer Kitchen Limited

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLANTIC BEER KITCHEN LIMITED

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### Our opinion

In our opinion, Atlantic Beer Kitchen Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the period from incorporation on 24 April 2014 until 31 December 2014 (the "period");
- 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.

### What we have audited

The financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### Opinions on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

### Other matters on which we are required to report by exception

#### Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.



# Atlantic Beer Kitchen Limited

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLANTIC BEER KITCHEN LIMITED

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

### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Stephen Patey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Plymouth  
10 September 2015

# Atlantic Beer Kitchen Limited

## PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2014

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	Notes	Period ended 31 December 2014 £
TURNOVER	2	418,602
Cost of sales		(136,381)
		<hr/>
GROSS PROFIT		282,221
Administrative expenses		(319,440)
		<hr/>
OPERATING LOSS	3	(37,219)
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(37,219)
Tax on loss on ordinary activities	5	320
		<hr/>
LOSS FOR THE FINANCIAL PERIOD	14	<u>(36,899)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

# Atlantic Beer Kitchen Limited

## BALANCE SHEET

as at 31 December 2014

		31 December 2014 £
	Notes	
<b>FIXED ASSETS</b>		
Tangible assets	6	117,028
		<u>117,028</u>
<b>CURRENT ASSETS</b>		
Stocks	7	6,637
Debtors	8	59,548
Cash at bank and in hand		48,542
		<u>114,727</u>
Creditors: amounts falling due within one year	9	(213,554)
<b>NET CURRENT LIABILITIES</b>		<u>(98,827)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>18,201</u>
Creditors: amounts falling due after more than one year	12	(55,000)
<b>NET LIABILITIES</b>		<u>(36,799)</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	13	100
Profit and loss account	14	(36,899)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	15	<u>(36,799)</u>

The financial statements on pages 10 to 16 were approved by the directors and authorised for issue on 21 August 2015 and are signed on their behalf by:



M Coyle  
Director

# Atlantic Beer Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2014

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### 1 PRINCIPAL ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### GOING CONCERN

In the opinion of the director's the company is considered to be a going concern and therefore the financial statements have been prepared on the going concern basis. Their assessment has been made based on a review of forecasts for a period of at least 12 months from the date on which the financial statements have been approved. The company continues to receive support from its parent undertaking in the form of a long term loan.

#### TANGIBLE FIXED ASSETS

##### Cost

All fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

##### Depreciation

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

The following depreciation methods (all straight line) and rates are used:

- Leasehold Property - over 5 to 40 years
- Plant & Machinery - over 3 to 25 years
- Office Equipment - over 3 to 10 years

#### STOCKS

Stocks are valued on a first in, first out basis at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

#### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less or to receive more tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# Atlantic Beer Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2014

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#### 1 PRINCIPAL ACCOUNTING POLICIES *(continued)*

##### CASHFLOW

The Company is a wholly owned subsidiary of Molson Coors Brewing Company (UK) Limited and is included in the consolidated financial statements of the ultimate parent company, Molson Coors Brewing Company (a company incorporate in the USA), which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash Flow Statement" (revised 1996).

#### 2 TURNOVER

Turnover represents amounts receivable for goods and services net of VAT and is recognised as the point at which all significant risks of ownership pass, when all services have been provided. The turnover and loss on ordinary activities before taxation are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period ended 31 December 2014 £
United Kingdom	418,602

#### 3 OPERATING LOSS

Operating loss is stated after charging:

	Period ended 31 December 2014 £
Depreciation of owned tangible fixed assets	12,727
Services provided by the company's auditors: Fees payable for the audit	5,800

#### 4 DIRECTORS AND EMPLOYEES

The average monthly number of persons employed by the company during the period ended 31 December 2014, including the directors, amounted to 20.

The aggregate payroll costs of the above were:

	Period ended 31 December 2014 £
Wages and salaries	158,185
Social security costs	12,346
	170,531

The directors did not receive any emoluments in respect of their services to the company.

# Atlantic Beer Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2014

#### 5 TAX ON LOSS ON ORDINARY ACTIVITIES

##### (a) Analysis of tax credit in the period

	Period ended 31 December 2014 £
Current tax:	
In respect of the period:	
UK Corporation tax based on the results for the period	-
Total current tax	-
Deferred tax:	
Origination and reversal timing differences	320
Total tax credit on loss on ordinary activities	320

##### (b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the period is higher than that at the applicable rate of corporation tax in the UK of 21.5%. A reconciliation is provided below:

	Period ended 31 December 2014 £
Loss on ordinary activities before taxation	(37,219)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5%	(8,002)
Expenses not deductible for tax purposes	1,051
Capital allowances in excess of depreciation	320
Group relief surrendered for nil payment	6,607
Deferred tax – difference in closing DT rate v CT rate	24
Total current tax charge	-

#### 6 TANGIBLE ASSETS

	Leasehold Property £	Plant & Machinery £	Office Equipment £	Total £
Cost				
Additions	52,268	77,397	90	129,755
At 31 December 2014	52,268	77,397	90	129,755
Accumulated depreciation				
Charge for the period	5,168	7,554	5	12,727
At 31 December 2014	5,168	7,554	5	12,727
Net book value				
At 31 December 2014	47,100	69,843	85	117,028

# Atlantic Beer Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2014

7	STOCKS	31 December 2014 £
	Wet stock	6,637
		<u>6,637</u>
8	DEBTORS	31 December 2014 £
	Taxation and social security	6,046
	Deferred tax asset - Debtors	320
	Prepayments and accrued income	53,182
		<u>59,548</u>
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31 December 2014 £
	Trade creditors	32,802
	Amounts owed to group undertaking	177,130
	Other creditors	2,616
	Accruals and deferred income	1,006
		<u>213,554</u>
10	LEASING COMMITMENTS	
	At 31 December 2014 the company had aggregate annual commitments under non-cancellable operating leases as set out below.	
		31 December 2014 Land & buildings £
	Operating leases which expire:	
	Within 1 year	-
	Within 2 to 5 years	-
	More than 5 years	50,000
		<u>50,000</u>
11	RELATED PARTY TRANSACTIONS	
	As a wholly owned subsidiary undertaking of Molson Coors Brewing Company (UK) Limited, the company has taken advantage of the exemption in Financial Reporting Standard 8 "Related party disclosures" from disclosing transactions with other wholly owned subsidiaries of the group headed by the Molson Coors Brewing Company.	

# Atlantic Beer Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2014

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#### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	At 31 December 2014 £
Amounts owed to group undertakings	55,000

The amount owed to the group undertaking is in the form of a long term loan which is unsecured and interest-free. Confirmation has been received from Sharp's Brewery Limited that no loan repayments will be required within one year so that the entire outstanding balance has been classified as falling due after more than one year.

#### 13 CALLED UP SHARE CAPITAL

	At 31 December 2014 £
Authorised share capital:	
100 Ordinary shares of £1 each	100
Allotted and fully paid:	£
100 Ordinary shares of £1 each	100

During the period the company issued 100 ordinary shares at a par value of £1 per share

#### 14 Profit and loss account

	£
Loss for the period	(36,899)
At 31 December 2014	(36,899)

#### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	At 31 December 2014 £
Called up Share Capital	100
Loss for the financial period	(36,899)
Closing shareholders' deficit	(36,799)

#### 16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Molson Coors Brewing Company (UK) Limited is considered to be the company's immediate parent company by virtue of its 100% shareholding. Molson Coors Brewing Company (UK) Limited is a company incorporated in the United Kingdom.

The directors regard Molson Coors Brewing Company, a company incorporated in the State of Delaware, USA, as the ultimate parent company and the ultimate controlling party. Molson Coors Brewing Company is the parent company of the smallest and largest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from the Company Secretary at 1125 Seventeenth Street, Denver, Colorado 80202, USA.