

# **Aspall Holdings Limited**

Annual Report and Financial Statements

Period Ended

31 December 2017

Company Number 09892044



# Aspall Holdings Limited

## Company Information

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<b>Directors</b>	S Kerry (appointed 5 January 2018) J C Shearer (appointed 5 January 2018) P M Whitehead (appointed 5 January 2018)
<b>Company secretary</b>	G Wisniewski
<b>Registered number</b>	09892044
<b>Registered office</b>	137 High Street Burton-On-Trent Stafford England DE14 1JZ
<b>Independent auditors</b>	PriceWaterhouseCoopers LLP Donington Court Pegasus Business Park Herald Way Nottingham East Midlands DE74 2UZ

# Aspall Holdings Limited

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# Aspall Holdings Limited

## Group Strategic Report For the Period Ended 31 December 2017

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### Introduction

The directors present their report and the consolidated financial statements of the Group for the period ended 31 December 2017.

The Company was incorporated on 27 November 2015 and these financial statements cover the period from 2 April 2017 to 31 December 2017.

The consolidated results present the results for the period to 31 December 2017 with comparatives showing the 52 week period ended 1 April 2017.

### Business review

The principal activity of the Group during the period was the manufacturing and wholesale of cyder, vinegar and apple juice.

Turnover has continued to grow, with increasing output of the factory. However, some of the costs of have been more than expected, which have contributed to an operating loss during the period of £2,191,531 (2017 - £187,804).

The market continues to be challenging, in the light of a bad apple harvest. The directors have considered that the best way forward for the Company is to find new investment. During the period, they undertook an exercise to introduce new investment into the Company. The operating loss disclosed above is after £Nil (2017 - £333,535) of exceptional administrative expenses relating to this strategic exercise. New investment has now been found and the directors are confident of a return to profitability and further growth. The directors are delighted to announce the sale of the entire issued share capital of Aspall Holdings Limited to Molson Coors Brewing Company (UK) Limited on 5 January 2018.

### Principal risks and uncertainties

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

The Company operates within a regulated environment and closely monitors developments as they arise. Recent developments are that in Scotland, Minimum Unit Pricing (MUP) was introduced in May 2018 and in the rest of the UK the Government has indicated an increase to Cyder Duty on cyder's greater than 6.9%. We will continue to monitor the impact of these changes future changes and any other regulatory changes to ensure that we are prepared for any future changes to the industry.

The Company takes health and safety risks very seriously, and works with the Company employees and advisors to ensure these remain as low as possible.

During the period the Company used financial instruments including cash, borrowings, stock and receivables financing, the main purpose of which were to raise finance for the Company's activities. The vast majority of the Company's resources are UK based, and as such the Company undertakes few transactions in foreign currency and its currency risk is considered to be minimal. It therefore does not engage in purchasing forward contracts to purchase foreign currency.

### Financial risk management objectives and policies

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

# Aspall Holdings Limited

## Financial key performance indicators

The Group uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators (KPIs).

The key financial performance indicators are turnover, gross profit, gross margin and profit before taxation. These KPIs indicate the volume of work the Company has undertaken as well as efficiency and profitability with which this work has been delivered.

The key financial performance indicators for the period ended 31 December 2017, with comparatives for the period ended 1 April 2017, are set out below:

	9 months ended 31 December 2017	52 weeks ended 1 April 2017
Turnover (£)	28,647,146	34,533,158
Gross profit (£)	8,452,882	12,611,278
Gross margin (%)	30	37
Loss before taxation (£)	(2,775,052)	(584,249)

## Future developments

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

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



**S Kerry**  
Director

Date: 20.12.18

# Aspall Holdings Limited

## Directors' Report For the Period Ended 31 December 2017

On 28 September 2018 the Company changed its accounting reference date to end on 31 December, accordingly these financial statements represent a 9 month period. The accounting reference date was amended to align with the new Group reporting period.

The directors present their report and the audited consolidated financial statements for the period ended 31 December 2017.

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

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

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

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

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

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

### Principal activity

The principal activity of the Company is that of acting as the holding company for Aspall Cyder Limited.

### Results and dividends

The loss for the period, after taxation, amounted to £2,076,224 (2017 - £542,960).

During the period, dividends of £80,000 (2017 - £521,280) were paid to the A Ordinary shareholders, dividends of £525,524 (2017 - £24,000) were paid to the B Ordinary shareholders and dividends of £30,000 (2017 - £50,000) were paid to the B Preference shareholders, dividends of £24,859 (2017 - Nil) were paid to D Ordinary shareholders, dividends of £145,356 (2017 - Nil) were paid to E Ordinary shareholders, which are recorded as a finance cost in the Statement of Comprehensive Income.

# Aspall Holdings Limited

## Directors

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

H Chevallier Guild (resigned 5 January 2018)  
J B Chevallier Guild (resigned 5 January 2018)  
G R C Quilter (resigned 5 January 2018)  
D J Smith (resigned 5 January 2018)

S Kerry, J C Shearer and P M Whitehead were appointed to the board of directors on 5 January 2018.

## Strategic report

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

## Going concern

The Group is in a net current liability position and is loss making during the period. The post balance sheet acquisition of the Company by Molson Coors Brewing Company (UK) Limited as disclosed in these statements further strengthens the Company's financial position and going concern assessment. A letter of support has been obtained by Directors from Molson Coors Brewing Company (UK) Limited confirming any required financial support for a period of at least 12 months from the signing of these financial statements.

The directors have a reasonable expectation that the Group has adequate resources to continue for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the annual report and financial statements.

## 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.

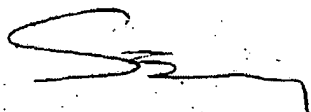
## Post Statement of Financial Position events

On 5 January 2018 the Group was purchased by Molson Coors Brewing Company (UK) Limited. Upon completion all bank loans, other loans and factored debt were repaid in full.

## Independent Auditors

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

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



**S Kerry**  
Director

Date: 20.12.18

## Aspall Holdings Limited

# ***Independent auditors' report to the members of Aspall Holdings Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2017 and of the group's loss and cash flows for the 9 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2017; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the 9 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

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

### **Independence**

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

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### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

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

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### **Reporting on other information**

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

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

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

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



## Aspall Holdings Limited

### ***Independent auditors' report to the members of Aspall Holdings Limited (continued)***

#### **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

##### **Auditors' responsibilities for the audit of the financial statements**

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

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

##### **Use of this report**

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

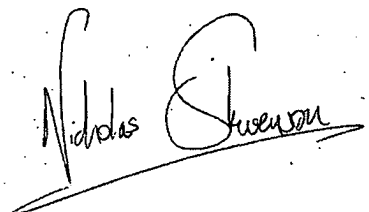
### **Other required reporting**

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

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

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

We have no exceptions to report arising from this responsibility.



**Nicholas Stevenson (Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
21 December 2018

# Aspall Holdings Limited

Registered number: 09892044

## Consolidated Statement of Comprehensive Income for the 9 month period ended 31 December 2017

	Note	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
Turnover	4	28,647,146	34,533,158
Cost of sales		(20,194,264)	(21,921,880)
<b>Gross profit</b>		<b>8,452,882</b>	<b>12,611,278</b>
Distribution costs		(2,509,638)	(2,993,751)
Administrative expenses		(8,134,775)	(9,471,796)
Exceptional administrative expenses		-	(333,535)
<b>Operating loss</b>	5	<b>(2,191,531)</b>	<b>(187,804)</b>
Interest payable and similar expenses	9	(583,521)	(396,445)
<b>Loss before taxation</b>		<b>(2,775,052)</b>	<b>(584,249)</b>
Tax on loss	10	698,828	41,289
<b>Loss for the financial period</b>		<b>(2,076,224)</b>	<b>(542,960)</b>
<b>Loss for the period attributable to:</b>			
Owners of the parent Company		(2,076,224)	(542,960)

There was no other comprehensive income for 9 months ended 31st December 2017 (1st April 2017 - £Nil).

The notes on pages 14 to 39 form part of these financial statements.

# Aspall Holdings Limited

Registered number: 09892044

## Consolidated Statement of Financial Position as at 31 December 2017

	Note	31 December 2017 £	31 December 2017 £	1 April 2017 £	1 April 2017 £
<b>Fixed assets</b>					
Intangible assets	13		165,723		181,018
Tangible assets	14		12,513,701		12,482,194
			<u>12,679,424</u>		<u>12,663,212</u>
<b>Current assets</b>					
Stocks	16	4,862,255		6,307,085	
Debtors: amounts falling due within one year	17	8,379,444		6,727,781	
Cash at bank and in hand		78,378		736,271	
		<u>13,320,077</u>		<u>13,771,137</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	(21,950,981)		(15,650,113)	
<b>Net current liabilities</b>			<u>(8,630,904)</u>		<u>(1,878,976)</u>
<b>Total assets less current liabilities</b>			<u>4,048,520</u>		<u>10,784,236</u>
Creditors: amounts falling due after more than one year	19		(2,371,057)		(6,892,771)
<b>Provisions for liabilities</b>					
Deferred taxation	22	(18,424)		(552,093)	
Other provisions	23	(468,178)		-	
			<u>(486,602)</u>		<u>(552,093)</u>
<b>Net assets</b>			<u>1,190,862</u>		<u>3,339,372</u>

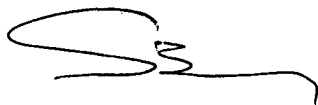
# Aspall Holdings Limited

Registered number: 09892044

## Consolidated Statement of Financial Position (continued) as at 31 December 2017

	Note	31 December 2017 £	1 April 2017 £
<b>Capital and reserves</b>			
Called up share capital	24	254	254
Capital redemption reserve		240,000	240,000
Merger reserve		399,966	399,966
Share based payment reserve		733,453	-
Profit and loss account		(182,811)	2,699,152
<b>Total Equity</b>		<b>1,190,862</b>	<b>3,339,372</b>

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



**S Kerry**  
Director

Date: 20.12.18

The notes on pages 14 to 39 form part of these financial statements.


# Aspall Holdings Limited

## Company Statement of Financial Position As at 31 December 2017

	Note	31 December 2017 £	31 December 2017 £	1 April 2017 £	1 April 2017 £
<b>Fixed assets</b>					
Investments	15		973,739		724,369
<b>Current assets</b>					
Debtors: amounts falling due within one year	17	500,001		500,017	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	-		-	
<b>Net current assets</b>			500,001		500,017
<b>Total assets less current liabilities</b>			1,473,740		1,224,386
<b>Current liabilities</b>					
Creditors: amounts falling due after more than one year	19		(500,016)		(984,115)
<b>Net assets</b>			973,724		240,271
<b>Capital and reserves</b>					
Called up share capital	24		254		254
Capital redemption reserve			240,000		240,000
Share based payment reserve			733,453		-
Profit and loss account			17		17
<b>Total Equity</b>			973,724		240,271

The financial statements on pages 7 to 39 were approved by the Board of Directors on 26 December 2018 and signed on its behalf by

S Kerry  
Director



The notes on pages 14 to 39 form part of these financial statements.

# Aspall Holdings Limited

## Consolidated Statement of Changes in Equity For the Period Ended 31 December 2017

	Called up share capital	Capital redemption reserve	Merger reserves	Share based payment reserve	Profit and Loss Account	Total Equity
	£	£	£	£	£	£
At 2 April 2017	254	240,000	399,966	-	2,699,152	3,339,372
Comprehensive income for the period	-	-	-	-	(2,076,224)	(2,076,224)
Loss for the period	-	-	-	-	(2,076,224)	(2,076,224)
<b>Total comprehensive income for the period</b>	-	-	-	-	(2,076,224)	(2,076,224)
Reclassification*	-	-	-	484,083	-	484,083
Share Based Payment	-	-	-	249,370	-	249,370
Dividends: Equity capital	-	-	-	-	(805,739)	(805,739)
<b>Total transactions with owners</b>	-	-	-	733,453	(805,739)	(72,286)
<b>At 31 December 2017</b>	<b>254</b>	<b>240,000</b>	<b>399,966</b>	<b>733,453</b>	<b>(182,811)</b>	<b>1,190,862</b>

## Consolidated Statement of Changes in Equity For the Year Ended 1 April 2017

	Called up share capital	Capital redemption reserve	Merger reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 3 April 2016.	240,254	-	399,966	3,902,112	4,542,332
Comprehensive expense for the period	-	-	-	(542,960)	(542,960)
Loss for the period	-	-	-	(542,960)	(542,960)
<b>Total comprehensive expense for the period</b>	-	-	-	(542,960)	(542,960)
Dividends: Equity capital	-	-	-	(420,000)	(420,000)
Purchase of own shares	-	240,000	-	-	240,000
Shares redeemed during the period	(240,000)	-	-	-	(240,000)
Purchase of own shares	-	-	-	(240,000)	(240,000)
<b>Total transactions with owners</b>	<b>(240,000)</b>	<b>240,000</b>	<b>-</b>	<b>(660,000)</b>	<b>(660,000)</b>
<b>At 1 April 2017</b>	<b>254</b>	<b>240,000</b>	<b>399,966</b>	<b>2,699,152</b>	<b>3,339,372</b>

\*During the period the share based payment scheme was redesignated from a cash settled scheme for an equity settled scheme. As a result the opening share based payment liability was reclassified for a share based payment reserve.

# Aspall Holdings Limited

## Company Statement of Changes in Equity For the Period Ended 31 December 2017

	Called up share capital	Capital Redemption Reserve	Share based payment reserve	Profit and Loss Account	Total Equity
	£	£	£	£	£
At 2 April 2017	254	240,000	-	17	240,271
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	805,739	805,739
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(805,739)	(805,739)
Reclassification	-	-	484,083	-	484,083
Share Based Payment	-	-	249,370	-	249,370
<b>Total transactions with owners</b>	-	-	733,453	(805,739)	(72,286)
<b>At 31 December 2017</b>	<b>254</b>	<b>240,000</b>	<b>733,453</b>	<b>17</b>	<b>973,724</b>

## Company Statement of Changes in Equity For the Period Ended 1 April 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 2 April 2016	240,254	-	-	240,254
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	785,297	785,297
<b>Total comprehensive income for the period</b>	-	-	785,297	785,297
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(545,280)	(545,280)
Purchase of own shares	-	240,000	-	240,000
Shares issued during the period	-	-	-	240,254
Shares redeemed during the period	(240,000)	-	-	(240,000)
Transfer to/from profit and loss account	-	-	(240,000)	(240,000)
<b>Total transactions with owners</b>	<b>254</b>	<b>240,000</b>	<b>(785,280)</b>	<b>(545,026)</b>
<b>At 1 April 2017</b>	<b>254</b>	<b>240,000</b>	<b>17</b>	<b>240,271</b>

The notes on pages 14 to 39 form part of these financial statements.

# Aspall Holdings Limited

## Consolidated Statement of Cash Flows

	9 months ended 2017 £	52 weeks ended 2017 £
<b>Cash flows from operating activities</b>		
Loss for the financial period	(2,076,224)	(542,960)
<b>Adjustments for:</b>		
Amortisation of intangible assets	16,212	14,756
Depreciation of tangible assets	1,286,054	1,415,952
Loss on disposal of tangible assets	200,466	-
Interest paid	583,521	396,445
Taxation credit	(698,828)	(41,289)
Decrease in stocks	1,444,830	90,308
Increase in debtors	(1,592,959)	(777,591)
Share based payment charges	249,370	399,550
Increase in creditors	3,730,685	1,694,845
Increase in provisions	468,178	-
Corporation tax received	106,454	60,276
<b>Net cash generated from operating activities</b>	<b>3,717,759</b>	<b>2,710,292</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(917)	(25,289)
Purchase of tangible fixed assets	(1,518,026)	(3,147,026)
Sale of tangible fixed assets	-	-
<b>Net cash used in investing activities</b>	<b>(1,518,943)</b>	<b>(3,172,315)</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	2,540,605
Repayment of loans	(1,414,895)	(1,282,853)
Repayment of finance leases	(552,554)	(611,613)
New finance leases	-	632,151
New loans from shareholders	500,000	-
Dividends paid	(805,739)	(420,000)
Interest paid	(583,521)	(396,445)
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,856,709)</b>	<b>461,845</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(657,893)</b>	<b>(178)</b>
Cash and cash equivalents at beginning of period	736,271	736,449
<b>Cash and cash equivalents at the end of period</b>	<b>78,378</b>	<b>736,271</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	78,378	736,271
	<b>78,378</b>	<b>736,271</b>



# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

The notes on pages 14 to 39 form part of these financial statements.

### 1. General information

Aspall Holdings Limited is a private Company limited by shares, incorporated in United Kingdom under the Companies Act. The address of the registered office is given on the Company information page and the nature of the Company's operations and its principal activity is set out in the strategic report. The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest pound.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared 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 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 principal accounting policies of the Company, which are set out below, have been consistently applied to the financial years presented, unless otherwise stated.

#### 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 the Company and its interests in subsidiaries. During a previous period, there was a Group reconstruction and Aspall Holdings Limited became the parent of Aspall Cyder Limited. This has been accounted for using merger accounting principles.

#### *Exemptions for qualifying entities under FRS102*

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions in its individual financial statements:

- i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- ii. from the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A and the paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosure;
- iii. from disclosing the Company key management personnel compensation, as required by FRS102 paragraph 33.7.

#### 2.3 Merger accounting

The Company was incorporated on 27 November 2015 and entered into an agreement to acquire the entire issued share capital of Aspall Cyder Limited on 21 December 2015. The acquisition was by way of a share for share exchange.

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### Merger accounting (continued)

Consequently, the previously recognised book values and assets and liabilities of Aspall Cyder Limited have been retained and the consolidated financial information for the periods ending 1 April 2017 and earlier have been presented as if Aspall Holdings Limited had always been the parent of the Group.

Prior to the merger the share capital in Aspall Cyder Limited was owned by JM, JI, H and JB Chevallier Guild and GRC and JJ Quilter. In the opinion of the directors there was no single ultimate controlling party.

Consideration payable in respect of this transaction was settled via a share for share exchange, as outlined in note 24.

In accordance with FRS102 Section 18 (Business Combinations and Goodwill) the merger reserve is used where more than 90% of all the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under s.612 of the Companies Act 2006.

Under FRS102, the assets and liabilities of both entities are recorded at book value, not fair value (although adjustments are made to achieve uniform accounting policies), intangible assets and contingent liabilities are recognised only to the extent that they were recognised by acquired subsidiaries, no goodwill is recognised, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented.

The result is that the merged Groups are treated as if they had been combined throughout the current and comparative accounting periods. Merger accounting principles for these combinations gave rise to a merger reserve in the Consolidated Statement of Financial Position, being the difference between the nominal value of the new shares issued by Aspall Holdings Limited for the acquisition of the shares of the subsidiary and the subsidiary's own share capital and share premium account.

As the amounts included in the merger reserve are not attributable to any of the other classes of equity presented, they have been disclosed as a separate classification of equity.

This accounting treatment represents a true and fair override under The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (SI 2015/980) because the share for share exchange does not represent a common control transaction. The accounting treatment is in line with FRS 102 which does not require the existence of a controlling party but just that the relative interests of the investors are the same before and after the transaction.

### 2.4 Going concern

The directors note the Group's net current liabilities of £8,630,904 (2017 - £1,878,976) at the period end. The directors have undertaken a detailed review of the Company's cashflow requirements, and those of its subsidiary, Aspall Cyder Limited, for a period of not less than one year from the date of signing these financial statements. They also note the successful conclusion of the sale of the entire issued share capital of the Company to Molson Coors Brewing Company (UK) Limited on 5<sup>th</sup> January 2018.

Molson Coors Brewing Company (UK) Limited has formally pledged financial support to the Company and its subsidiary, Aspall Cyder Limited, sufficient to enable the companies to meet their liabilities as and when they fall due. Having considered the timing of cash inflows and outflows and the ability of Molson Coors Brewing Company (UK) Limited to provide support, the directors have concluded that the Company and its subsidiary have access to adequate liquidity to enable them to meet the requirements of the business, and consequently these financial statements have been prepared on a going concern basis.

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 2.5 Turnover

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

#### Sale of goods

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

### 2.6 Intangible assets and amortisation

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	- 20 years straight line
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### 2.7 Tangible fixed assets and depreciation

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

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

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:

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

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.

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 2.8 Operating and finance leases

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.

Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company.

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

There were two accounting estimate changes in the period. Duty is accrued when it has become due, whereas previously it was accrued as stocks were manufactured. Overhead recovery is calculated on the basis of overhead costs per hectolitre in stock, whereas previously it was calculated as a percentage of the costs incurred in the period.

### 2.11 Financial instruments

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

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

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

# **Aspall Holdings Limited**

## **Notes to the financial statements For the Period Ended 31 December 2017**

### **2.12 Foreign currency translation**

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

The Company's functional and presentational currency is GBP.

#### **Transactions and balances**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

#### **Transactions and balances (continued)**

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'administrative expenses'.

### **2.13 Dividends**

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

### **2.14 Dividend income**

Revenue is recognised when the Group's right to receive payment is established.

### **2.15 Classification of financial liabilities and equity**

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

### **2.16 Share based payments**

#### **Cash-settled transactions**

The cost of cash-settled transactions is measured at fair value using an appropriate valuation model. Fair value is established initially at the grant date and at each Statement of Financial Position date thereafter until the awards are settled. During the vesting period, a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the Statement of Financial Position date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the Statement of Financial Position date. Changes in the carrying amount of the liability are recognised in profit or loss for the period.

# **Aspall Holdings Limited**

## **Notes to the financial statements For the Period Ended 31 December 2017**

### **2.16 Share based payments (continued)**

The financial effect of awards by the parent Company of options over its equity shares to the employees of subsidiary undertakings is recognised by the parent Company in its individual financial statements. In particular, the parent Company records an increase in its investment in subsidiaries with a credit to equity equivalent to the cost in the subsidiary undertakings.

#### **Equity-settled transactions**

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuation using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions) and non-vesting conditions.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous Statement of Financial Position date is recognised in the income statement, with a corresponding entry in equity.

The financial effect of awards by the parent Company of options over its equity shares to the employees of subsidiary undertakings is recognised by the parent Company in its individual financial statements. In particular the parent Company records an increase in its investment in subsidiaries with a credit to equity equivalent to the cost in the subsidiary undertakings.

### **2.17 Sale and leaseback**

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method. When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

### **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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

### **2.19 Borrowing costs**

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

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 2.20 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

### 2.21 Confidential invoice discounting

Where debts are invoice discounted the separate presentation treatment has been adopted. In accordance with this, the gross amount of the debts is included within trade debtors with the advances received from invoice discounting being shown as a liability.

### 2.22 Exceptional administrative expenses

Exceptional administrative expenses are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

### 2.23 Reserves

The Group's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued in Aspall Holdings Limited
- Merger reserve relates to the merger accounting which has been applied in relation to the share for share exchange.
- Profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments, for the Group.
- Capital redemption reserve contains the nominal value of own shares that have been acquired by the Company and cancelled.
- Share based payment reserve contains the cumulative share based payment expense.

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued in Aspall Holdings Limited
- Profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments, for the Group.
- Capital redemption reserve contains the nominal value of own shares that have been acquired by the Company and cancelled.
- Share based payment reserve contains the cumulative share based payment expense.

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

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

In preparing these financial statements, the directors have made the following judgements:

- Determining whether leases entered into by the Group as a lessor or lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and whether it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of uncertainty:

- *Tangible fixed assets (see note 14)*

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

- *Share based payments*

In the prior year, the Group issued cash-settled share-based payments to certain employees. The cash settled share-based payments were measured at fair value at each period end. The fair value determined was expensed on a straight line basis over the vesting period, and adjusted prospectively based on the Group's estimate of what the shares would eventually vest for.

In the current period, the scheme has been reclassified as an equity settled share based payment scheme. Equity settled share-based payments are measured at fair value at each period end. The fair value determined is expensed on a straight line basis over the vesting period, and adjusted prospectively based on the Group's estimate of what the shares would eventually vest for.

- *Stock quantity, valuation and provision*

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

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

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



# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 4. Turnover

Required to disclose their sales by close of business

Analysis of turnover by country of destination:

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
United Kingdom	27,913,353	33,613,285
Rest of Europe	555,295	601,324
Rest of the world	178,498	318,549
	<b>28,647,146</b>	<b>34,533,158</b>

All sales relate to the primary activity of the business being sales of Cyder and Vinegar.

### 5. Operating loss

The operating loss is stated after charging:

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
Stock expensed	9,397,939	10,713,756
Amortisation of intangible assets	16,212	14,756
Depreciation of tangible fixed assets	1,286,054	1,415,952
Lease payments recognised as an expense	1,405,655	1,086,652
Fees payable to the Group's auditors for the audit of the Company's annual financial statements	35,000	4,500
Defined contribution pension cost	197,969	222,615

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 6. Employees

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

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
Wages and salaries	3,625,544	5,035,650
Social security costs	390,931	504,387
Cost of defined contribution scheme	197,969	222,615
	<u>4,214,444</u>	<u>5,762,652</u>

Included in wages and salaries is a total expense of share-based payments of £249,370 (2017 - £399,550).

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

	9 months ended 31 December 2017 No.	52 weeks ended 1 April 2017 No.
Administrative	77	46
Direct labour	54	77
	<u>131</u>	<u>123</u>

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £197,969 (2017 - £222,615). Contributions totalling £24,321 (2017 - £32,268) were payable to the fund at the reporting date.

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £Nil).

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 7. Directors' remuneration

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
Directors' emoluments	216,352	509,353
Company contributions to defined contribution pension schemes	42,114	26,058
Share based payments	249,370	399,550
	<u>507,836</u>	<u>934,961</u>

During the period retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £216,352 (2017 - £415,583). An additional share based payment expense of £249,730 (2017 - £399,550) has been recognised. No share options have been exercised.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £42,114 (2017 - £26,058).

### 8. Income from investments

During the period, Aspall Holdings Limited received a dividend from Aspall Cyder Limited of £805,739 (2017 - £700,000). No other income from investments was received and no investment income was received from outside the Group.

### 9. Interest payable and similar expenses

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
Bank interest payable	128,962	30,513
Other loan interest payable	132,987	178,000
Preference share dividends	30,000	40,000
Finance leases and hire purchase contracts	189,104	147,932
Other interest payable	102,468	-
	<u>583,521</u>	<u>396,445</u>

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 10. Tax on loss

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
<b>Corporation tax</b>		
Current tax on losses for the period	(165,159)	(17,210)
Adjustments in respect of previous periods	-	(179,596)
<b>Total current tax</b>	<b>(165,159)</b>	<b>(196,806)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(558,364)	63,435
Adjustments in respect of prior period	52,300	114,214
Effect of tax rate change on opening balance	(27,605)	(22,132)
<b>Total deferred tax</b>	<b>(533,669)</b>	<b>155,517</b>
<b>Tax on loss</b>	<b>(698,828)</b>	<b>(41,289)</b>

### Factors affecting tax credit for the period

The tax assessed for the period is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19.0% (2017 - 20.0%). The differences are explained below:

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
Loss on ordinary activities before tax	(2,775,052)	(584,249)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 20.0%)	(527,260)	(116,850)

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 10. Tax on Loss (continued)

#### Effects of:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	104,625
Capital allowances for period in excess of depreciation	(310,817)	44,155
Adjustments to tax charge in respect of prior periods	-	(179,596)
Re-measurement of deferred tax - change in UK tax rate	(27,605)	(53,162)
Deferred tax adjustment in respect of prior period	52,300	114,214
Permanent differences	-	894
Losses carried back	-	44,431
Other timing differences	114,554	-
<b>Total tax for the period</b>	<b>(698,828)</b>	<b>(41,289)</b>

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 11. Dividends

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
1,340,000 (2017: 1,340,000) A Ordinary shares - dividends paid of £0.060 (2017 - £0.296)	80,000	396,000
400,576 (2017: 400,576) B Ordinary shares - dividends paid of £1.312 (2017 - £0.060)	525,524	24,000
400,576 (2017: 400,576) D Ordinary shares - dividends paid of £0.062 (2017 - £Nil)	24,859	-
400,578 (2017: 400,578) E Ordinary shares - dividends paid of £0.363 (2017 - £Nil)	£145,356	-
	<b>775,739</b>	<b>420,000</b>

The dividends paid on the preference shares of £30,000 (2017 - £40,000) are included within interest payable and similar charges.

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 12. Exceptional items

	9 months ended 31 December 2017 £	52 weeks ended 1 April 2017 £
Restructuring fees	-	50,000
One off strategic project	-	283,535
		<u>333,535</u>

During the period ended 1 April 2017, senior management commenced a one off strategic project that lies outside the course of the Group's principal activities. These costs represent the associated professional costs and senior management time involved within the project.

### 13. Intangible assets

#### Group and Company

	Patents £
<b>Cost</b>	
At 2 April 2017	215,913
Additions	917
	<u>216,830</u>
At 31 December 2017	
<b>Accumulated Amortisation</b>	
At 2 April 2017	34,895
Charge for the period	16,212
	<u>51,107</u>
At 31 December 2017	
<b>Net book value</b>	
At 31 December 2017	<u>165,723</u>
At 1 April 2017	<u>181,018</u>

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 14. Tangible fixed assets

#### Group

	Leasehold Property £	Plant and machinery £	Office equipment £	Total £
<b>Cost</b>				
At 2 April 2017	2,653,389	12,133,791	488,210	15,275,390
Additions	69,630	1,029,668	418,728	1,518,026
Disposals	-	(244,130)	(582)	(244,712)
At 31 December 2017	<b>2,723,019</b>	<b>12,919,329</b>	<b>906,356</b>	<b>16,548,704</b>
<b>Accumulated Depreciation</b>				
At 2 April 2017	190,488	2,525,707	77,000	2,793,195
Charge for the period	111,548	1,067,546	106,960	1,286,054
Disposals	-	(44,130)	(116)	(44,246)
At 31 December 2017	<b>302,036</b>	<b>3,549,123</b>	<b>183,844</b>	<b>4,035,003</b>
<b>Net book value</b>				
At 31 December 2017	<b>2,420,983</b>	<b>9,370,206</b>	<b>722,512</b>	<b>12,513,701</b>
At 1 April 2017	<b>2,462,901</b>	<b>9,608,084</b>	<b>411,210</b>	<b>12,482,194</b>

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

	31 December 2017 £	1 April 2017 £
Plant and machinery	<b>2,606,940</b>	<b>4,308,023</b>

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 15. Investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Aspall Cyder Limited	Ordinary	100%	The principal activity of the Company is the production and sale of cyder, apple and vinegar products and the export of apple and cyder vinegar products

Aspall Cyder Limited is a private Company, limited by shares, incorporated in England and Wales. Its registered office is 137 High Street, Burton-On-Trent, England, DE14 1JZ.

#### Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 2 April 2017	724,369
Share Based Payments At 31 December 2017	<u>249,370</u>
	973,739
<b>Net book value</b>	
At 31 December 2017	<u>973,739</u>
At 1 April 2017	<u>724,369</u>

Investments in subsidiaries are calculated as the value of share capital issued to acquire the entire share capital in the subsidiary, totalling £240,254, plus the effective capital contributions in respect of the share based payment, totalling £733,485.

### 16. Stocks

	Group 31 December 2017 £	Group 1 April 2017 £	Company 31 December 2017 £	Company 1 April 2017 £
Raw materials and consumables	945,208	926,451	-	-
Work in progress (goods to be sold)	1,325,629	1,272,575	-	-
Finished goods and goods for resale	2,591,418	4,108,059	-	-
	<u>4,862,255</u>	<u>6,307,085</u>	<u>-</u>	<u>-</u>

Included in finished goods value is a provision for £507,571 (1 April 2017: £409,191) in relation to obsolete or slow moving stocks.



# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

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

	Group 31 December 2017 £	Group 1 April 2017 £	Company 31 December 2017 £	Company 1 April 2017 £
Trade debtors	6,811,971	5,494,597	-	-
Amounts owed by Group undertakings	-	-	500,001	500,017
Other debtors	707,203	437,658	-	-
Prepayments and accrued income	734,355	728,316	-	-
Tax recoverable	125,915	67,210	-	-
	<u>8,379,444</u>	<u>6,727,781</u>	<u>500,001</u>	<u>500,017</u>

Included in trade debtors is a general bad debt provision of £67,000 (1 April 2017: £Nil). Amounts owed by Group undertakings are interest free, unsecured and repayable on normal business payment terms.

Other debtors includes loans with related parties.

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

	Group 31 December 2017 £	Group 1 April 2017 £	Company 31 December 2017 £	Company 1 April 2017 £
Bank loans	5,489,101	2,327,295	-	-
Other loans	3,071,638	2,474,150	-	-
Trade creditors	3,314,963	3,237,222	-	-
Other taxation and social security	1,061,157	1,361,318	-	-
Obligations under finance lease and hire purchase contracts	735,900	715,780	-	-
Proceeds of factored debts	5,457,501	4,356,588	-	-
Other creditors	966,984	316,140	-	-
Accruals and deferred income	1,853,737	861,620	-	-
	<u>21,950,981</u>	<u>15,650,113</u>	<u>-</u>	<u>-</u>

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

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

	Group 31 December 2017 £	Group 1 April 2017 £	Company 31 December 2017 £	Company 1 April 2017 £
Bank loans	-	3,464,942	-	-
Net obligations under finance leases and hire purchase contracts	1,871,041	2,443,714	-	-
Other creditors	-	484,099	-	484,099
Share capital treated as debt	500,016	500,016	500,016	500,016
	<u>2,371,057</u>	<u>6,892,771</u>	<u>500,016</u>	<u>984,115</u>

Advances from confidential invoice discounting are secured on the related trade debtors of the Company.

Finance lease and hire purchase creditors are secured on the assets concerned.

Bank loans and overdrafts are secured by a fixed and floating charge over certain personal assets of the ultimate shareholders and a fixed and floating charge over the assets of the entity which undertook the debt.

Analysis of the maturity of loans is given below:

	Group 31 December 2017 £	Group 1 April 2017 £
<b>Amounts falling due within one year</b>		
Bank loans	5,489,101	2,327,295
Other loans	3,071,638	2,474,150
	<u>8,560,739</u>	<u>4,801,445</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	2,534,146
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	930,796
	<u>8,560,739</u>	<u>8,266,387</u>

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 19. Creditors: Amounts falling due after more than one year (continued)

Included in bank loans is a term loan of £1,321,150 (2017 £1,381,845) which is repayable over a period to April 2030. Also included in bank loans is a second term loan of £1,307,577 (2017 £1,608,731) which is repayable over a period to December 2019. Both loans accrue interest at a variable rate equivalent to Bank of England base rate plus 2.75%.

During the period, the group borrowed from its bankers two further loans of £1,200,000 (2017:£1,200,000) and £109,995 (2017:£109,995) respectively. The first, reporting date carrying amount of £1,200,000 (2017 £1,200,000), which is repayable over a period to March 2022 and the second, reporting date carrying amount £Nil (2017 £Nil), which was repaid in full during the period. The outstanding loan accrues interest at variable rates equivalent to Bank of England base rate, plus 2.75%.

The Company breached covenants on all loans held during the period and thus are all shown as due within one year.

Included within bank loans falling due within one year is a rolling inventory loan facility with interest at Bank of England base rate plus 2.5% of £1,503,052 (2017 £1,506,175) and a rolling import loan facility with an interest of 4% of £157,322 (2017 £95,486).

### 20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 31 December 2017 £	Group 1 April 2017 £
Within one year	735,900	715,780
Between 1-5 years	1,871,041	2,341,254
Over 5 years	-	102,460
	<hr/>	<hr/>
	2,606,941	3,159,494
	<hr/>	<hr/>

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 21. Financial instruments

	Group 31 December 2017 £	Group 1 April 2017 £	Company 31 December 2017 £	Company 1 April 2017 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>7,597,552</b>	6,668,526	<b>500,001</b>	500,017
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss - cash settled share based payments	-	(484,115)	-	(484,115)
Financial liabilities measured at amortised cost	<b>(23,260,881)</b>	(20,697,467)	<b>(500,016)</b>	(500,016)
	<b>(23,260,881)</b>	(21,181,566)	<b>(500,016)</b>	(984,131)

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, other loan finance leases, trade creditors, accruals and irredeemable preference shares.

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 22 Deferred taxation

#### Group

	9 months ended 31 December 2017	
	£	
At beginning of period	(552,093)	
Charged to profit or loss	533,669	
At end of period	(18,424)	
	<b>Group</b>	<b>Group</b>
	<b>31 December</b>	<b>1 April</b>
	<b>2017</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	(625,099)	(557,466)
Tax losses carried forward	606,675	5,055
Other timing differences	-	318
	<b>(18,424)</b>	<b>(552,093)</b>

### 23. Other Provisions

#### Group

	Other provision
	£
Charged to profit or loss	468,178
At 31 December 2017	468,178

The above provision is in relation to anticipated costs for lost kegs and has been estimated by the directors with reference to agreements in place.

# Aspall Holdings Limited

## Notes to the financial statements For the Period Ended 31 December 2017

### 24. Called up share capital

	31 December 2017 £	1 April 2017 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,340,000 – (2017:1,340,000) A Ordinary shares of £0.0001 each	134	134
400,576 – (2017:400,576) B Ordinary shares of £0.0001 each	40	40
400,576 – (2017:400,576) D Ordinary shares of £0.0001 each	40	40
400,578 – (2017:400,578) E Ordinary shares of £0.0001 each	40	40
	<hr/>	<hr/>
	254	254
	<hr/>	<hr/>

	31 December 2017 £	1 April 2017 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
500,000 – (2017:500,00) B Preference shares of £1 each	500,000	500,000
162,238 – (2017:162,238) C Ordinary shares of £0.0001 each	16	16
	<hr/>	<hr/>
	500,016	500,016
	<hr/>	<hr/>

### Issues and redemptions of shares

The Company was incorporated on 21 November 2015 with 10,000 B Ordinary shares of £0.0001 each.

On 21 December 2015 the following shares were issued:

- 240,000 A Preference shares of £1.00 each;
- 1,340,000 A Ordinary shares of £0.0001 each;
- 390,576 B Ordinary shares of £0.0001 each;
- 400,576 D Ordinary shares of £0.0001 each;
- 400,578 E Ordinary shares of £0.0001 each;
- 162,238 C Ordinary shares of £0.0001 each;
- 500,000 B Preference shares of £1.00 each.

On 21 December 2015 the Company acquired 100% of the share capital in Aspall Cyder Limited, being 240,254 shares, by way of a share for share exchange.

Also on this date, D J Smith, a director of both Aspall Cyder Limited and Aspall Holdings Limited, received 162,238 C Ordinary shares of £0.0001 each in Aspall Holdings Limited.

On 19 December 2016 the Company redeemed 240,000 A Preference shares of £1.00 each.

# Aspall Holdings Limited

## Notes to the Financial Statements For the Period Ended 31 December 2017

### 24. Called up share capital (continued)

#### Prescribed particulars

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

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

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

B Preference shares - each share holds no entitlement to vote. Each share is entitled in priority to any payment by way of dividend to the holder of the ordinary shares, to a cumulative preferential dividend at the rate of 8% per annum on the amount paid up or credited as paid up on each B preference share, and to a priority return in respect of all unpaid preference dividends.

C Ordinary shares - each share is entitled to one vote in any circumstance. Each share is entitled pari passu to dividend payments or any distribution capital. Each share is entitled pari passu to participate in a distribution arising from a winding up of the Company. There are conditions attached to these that mean they can be converted to cash at an undisclosed fair value after a five year period. The fair value of the shares is to be vested over the period, with a corresponding charge to the profit and loss in Aspall Cyder Limited each year, the trading Company for which the director is an employee. Within Aspall Cyder Limited these have been recognised as a staff cost and capital contribution from Aspall Holdings Limited. These share-based payments were recognised as cash-settled in both Aspall Holdings Limited and the consolidated financial statements in the prior period, and were recognised as a long-term liability in these financial statements. During the period the share based payment scheme was redesignated from a cash settled scheme for an equity settled scheme due to impending settlement in January 2018. As a result the opening share based payment liability was reclassified for a share based payment reserve.

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

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

# Aspall Holdings Limited

## Notes to the Financial Statements For the Period Ended 31 December 2017

### 25. Commitments under operating leases

At 31<sup>st</sup> December 2017/1<sup>st</sup> April 2017, the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 31 December 2017 £	Group 1 April 2017 £
Not later than 1 year	1,290,134	1,538,372
Later than 1 year and not later than 5 years	2,098,248	1,847,315
Later than 5 years	-	7,239
	<b>3,388,382</b>	<b>3,392,926</b>

### 26. Share based payments

On 21 December 2015, D J Smith, a director of Aspall Holdings Limited, received 162,238 C Ordinary shares of £0.0001 per share. There are conditions attached to these that mean these can be converted to cash at an undiscounted fair value after a five year period at the option of the Company or director. During the vesting period, a liability is recognised representing the fair value of the award and the portion of the vesting period expired as at the Statement of Financial Position date. This has been recognised as a staff cost within the Consolidated Statement of Comprehensive Income of £249,370 (2017 - £399,550) and other creditor of £Nil (2017 - £484,115).

The put option will vest if the employee remains in service for a period of five years from the date of grant. The put and call option can only be exercised if the following conditions are met:

- Aspall Cyder Limited and JB Chevallier Guild, a director, have repaid all financial indebtedness due and outstanding to GRC Quilter, a director;
- an option by one shareholder to purchase/sell land in 2019 to/from another shareholder has been validly exercised by either party pursuant to the terms of the option;
- the employee remains in service for a period of five years from the date of grant; and
- the option holder is not entitled to exercise the put option until after the fifth anniversary of the date of the agreement unless otherwise agreed by the Board.

There are conditions in the shareholders' agreement that mean that, under certain circumstances, should the director leave within a 5 year period, the shares could be converted to cash at a discounted amount, to be determined by an independent expert, taking account the lack of control and the above restrictions.

The fair value of cash-settled share options granted is estimated as at each Statement of Financial Position date using an external valuation as updated by the directors, based upon the centre point of a range of different valuation techniques, taking into account the expectations, terms and conditions upon which the options were granted. No other features of grant options were incorporated into the measurement of fair value.

The expense recognised for share-based payments in respect of employee services received during the period in the consolidated financial statements to 31 December 2017 is £249,370 (2017 - £399,550). The carrying amount of financial liabilities relating to the cash-settled share based payment at 31 December 2017 is £Nil (2017 - £484,115). No guarantees were given or received during the period.

During the period the share based payment scheme was redesignated from a cash settled scheme for an equity settled scheme due to impending settlement in January 2018. As a result the opening share based payment liability was reclassified for a share based payment reserve.



# Aspall Holdings Limited

## Notes to the Financial Statements For the Period Ended 31 December 2017

### 27. Capital commitments

There are capital commitments in relation to building work contracted at the period end totalling £75,002 (2017 - £423,385).

### 28. Controlling party

During the period, there was no single controlling entity due to the share structure of the Group.

On 5th January 2018, the Company's shareholders concluded a sale of the entire issued share capital of the Company to Molson Coors Brewing Company (UK) Limited, a Company incorporated in the United Kingdom which is now the 100% parent Company.

The ultimate controlling party is Molson Coors Brewing Company, a Company incorporated in the State of Delaware, USA.

The parent of the largest Group and the smallest Group into which these financial Statements are consolidated is Molson Coors Brewing Company. The address of Molson Coors Brewing Company is:

1801 California Street  
Suite 4600  
Denver  
Colorado 80202  
United States of America

The financial statements of Molson Coors Brewing Company are available from the Company Secretary at the above address.

### 29. Related party transactions

During the period ended 31 December 2017, Aspall Cyder Limited was charged £9,000 (2017 - £12,000) for rent by the Trustees of The Aspall Hall Settlement, a trust of which J B Chevallier Guild and H Chevallier Guild are trustees. £45,214 (2017 - £64,700) was due from Aspall Cyder Limited at the period end. Aspall Cyder Limited charged the Trust £2,371 (2017 - £116,803) for expenses paid on behalf of the Trustees. £Nil (2017 - £161,771) was due to Aspall Cyder Limited at the period end. The net creditor of £45,214 (2017 - £97,070 net debtor) is included within other creditors (2017 - included within other debtors).

During the period, the combined trade of Aspall and Aspall Cyder Limited paid £6,937 (2017 - £9,252) for rent to J B Chevallier Guild, and £6,937 (2017 - £9,252) for rent to H Chevallier Guild, who are directors of Aspall Cyder Limited.

During the period, Aspall Cyder Limited incurred costs on behalf of directors and shareholders totalling £489,857 (2017 - £445,095). During the period the directors repaid £387,383 (2017 - £270,427) and £Nil (2017 - £240,000) was settled by way of redemption of £Nil (2017 - £240,000) A Preference shares in Aspall Holdings Limited.

The group provided loans to Directors during the year and at the year end has a receivable loan balance with Directors totalling £687,918 at the 31 December 2017 (2017 - £437,658).

The directors received dividends in aggregate on the same terms as the other ordinary shareholders, of £660,383 (2017 - £396,000).

Key management personnel include all directors and a number of senior managers across the Company who together have authority and responsibility for planning, directing and controlling the activities of the Company. The total compensation paid to key management for services provided to the Company was £1,082,789 (2017 - £1,729,811).

# Aspall Holdings Limited

## Notes to the Financial Statements For the Period Ended 31 December 2017

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### **30. Post Statement of Financial Position events**

On 5th January 2018, the Company's shareholders concluded a sale of the entire issued share capital of the Company to Molson Coors Brewing Company (UK) Limited. Upon completion all bank loans, other loans and factored debt were repaid in full.