

Caledonian Bottlers Plc

Report and Financial Statements

For the period from 2 January 2016 to 30 December 2016



Directors

E Birchall

D McNulty (appointed 11 January 2016)

A Richmond (appointed 27 June 2016)

Secretary

A Richmond

Auditors

Ernst & Young LLP

Bedford House

16 Bedford Street

Belfast BT2 7DT

Bankers

Danske Bank

Donegall Square West

Belfast BT1 6SJ

Solicitors

Carson McDowell

Murray House

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Registered Office

4th Floor

115 George Street

Edinburgh EH2 4JN

Strategic report

The directors present their strategic report for the period from 2 January 2016 to 30 December 2016.

Principal activity and review of the business

The company's principal activity is contract bottling of beverages.

There were no significant changes in the activities of the company during the period. The directors consider that in light of prevailing economic and market conditions, both the results for the period and the prospects for the future are satisfactory.

The company strategy for the coming year is to increase shareholder value through enhancing market share and developing the company's customer base further.

Key performance indicators

The key performance indicator for the company is the gross margin. The gross margin for the period was 40.4% (period ended 1 January 2016 – 46.3%).

	<i>Period ended 30 December 2016 £</i>	<i>Period ended 1 January 2016 £</i>
Turnover	3,703,845	3,509,956
Profit after tax	859,830	845,924
Shareholder funds	4,473,080	3,613,250
Average employees during the period (No.)	54	49
Current assets vs current liabilities (quick ratio)	4.81	3.04

Principal risks and uncertainties

Financial risk management objectives and policies

The company uses various instruments including 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 existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are currency risk, credit risk and liquidity risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to this risk, the company principally uses group level foreign currency contracts with financial institutions in order to hedge against adverse movements in exchange rates.

Strategic report

Principal risks and uncertainties (continued)

Credit risk

The company's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors.

In order to manage credit risk the directors assess potential customers based on a mixture of past history, credit references, and industry knowledge, and amounts owed are reviewed and followed up on a regular basis.

Price and market risk

As the company does not normally make investments, price risk is considered inconsequential.

Approved by the Board and signed on its behalf by:



A Richmond
Secretary

Date: 26.5.17

Registered No. SC146015

Directors' report

The directors present their report for the period from 2 January 2016 to 30 December 2016.

Results and dividends

The profit for the period after taxation amounted to £859,830 (period ended 1 January 2016 – profit of £845,924).

Future developments

The directors are committed to long-term creation of shareholder value. Successful implementation of a growth strategy has resulted in good results for 2016 despite the sector remaining highly competitive. While the incoming year is likely to continue to be very challenging, early results indicate we are in line to achieve our expectations for the year.

Directors

The directors who served the company during the period were as follows:

E Birchall	
D McNulty	(appointed 11 January 2016)
A Richmond	(appointed 27 June 2016)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



E Birchall
Director

Date: 26.5.17

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, Directors' Report 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare 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.

Independent auditors' report

to the members of Caledonian Bottlers Plc

We have audited the financial statements of Caledonian Bottlers Plc for the period ended 30 December 2016 which comprise the Profit and Loss account, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report

to the members of Caledonian Bottlers Plc

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept, 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 26 May 2017

Profit and loss account

for the period from 2 January 2016 to 30 December 2016

		<i>Period ended 30 December 2016</i>	<i>Period ended 1 January 2016</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover	2	3,703,845	3,509,956
Cost of sales		(2,207,441)	(1,884,090)
Gross profit		1,496,404	1,625,866
Administrative expenses		(443,200)	(583,707)
Other operating income	3	40,000	30,000
Profit before taxation		1,093,204	1,072,159
Tax charge	6	(233,374)	(226,235)
Profit for the financial period		<u>859,830</u>	<u>845,924</u>

All amounts relate to continuing activities.

Statement of comprehensive income

for the period from 2 January 2016 to 30 December 2016

There is no recognised income or loss other than the profit attributable to the shareholders of the company of £859,830 in the period ended 30 December 2016 (period ended 1 January 2016 – profit of £845,924).

Statement of changes in equity

for the period from 2 January 2016 to 30 December 2016

	<i>Called up share capital</i>	<i>Share Premium</i>	<i>Capital Redemption Reserve</i>	<i>Profit and loss account</i>	<i>Total Equity</i>
	£	£	£	£	£
At 3 January 2015	86,667	43,333	5,000	2,632,326	2,767,326
Profit for the period	–	–	–	845,924	845,924
At 2 January 2016	86,667	43,333	5,000	3,478,250	3,613,250
Profit for the period	–	–	–	859,830	859,830
At 30 December 2016	86,667	43,333	5,000	4,338,080	4,473,080

Called up share capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

Capital redemption reserve

The capital redemption reserve records the nominal value of shares repurchased by the company.

Profit and loss account

Profit and loss account includes all current period and prior period retained profits and losses.

Registered No. SC146015

Balance sheet

at 30 December 2016

		30 December 2016	1 January 2016
	Notes	£	£
Fixed assets			
Tangible assets	7	1,701,235	1,916,990
Current assets			
Stocks	8	55,871	52,679
Debtors	9	742,050	1,048,815
Cash at bank and in hand		2,732,946	1,468,263
		<u>3,530,867</u>	<u>2,569,757</u>
Creditors: amounts falling due within one year	10	<u>(733,265)</u>	<u>(844,188)</u>
Net current assets		<u>2,797,602</u>	<u>1,725,569</u>
Total assets less current liabilities		<u>4,498,837</u>	<u>3,642,559</u>
Provisions for liabilities			
Deferred taxation	6(c)	<u>(25,757)</u>	<u>(29,309)</u>
Net assets		<u>4,473,080</u>	<u>3,613,250</u>
Capital and reserves			
Called up share capital	11	86,667	86,667
Share premium account		43,333	43,333
Capital redemption reserve		5,000	5,000
Profit and loss account		<u>4,338,080</u>	<u>3,478,250</u>
Shareholders' funds		<u>4,473,080</u>	<u>3,613,250</u>



E Birchall
Director

Date: 26.5.17

Statement of cash flows

for the period from 2 January 2016 to 30 December 2016

		<i>Period ended 30 December 2016</i>	<i>Period ended 1 January 2016</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Net cash inflow from operating activities	12(a)	1,279,181	830,280
Investing activities			
Payments to acquire tangible fixed assets		(14,498)	(198,728)
Financing activities			
Equity dividends paid		—	—
Increase in cash	12(b)	<u>1,264,683</u>	<u>631,552</u>

Reconciliation of net cash flow to movement in net cash

	<i>Period ended 30 December 2016</i>	<i>Period ended 1 January 2016</i>
	<i>£</i>	<i>£</i>
Increase in cash	<u>1,264,683</u>	<u>631,552</u>
Movement in net cash in the period	<u>1,264,683</u>	<u>631,552</u>
Net funds at 2 January	<u>1,468,263</u>	<u>836,711</u>
Net cash at 30 December	<u>2,732,946</u>	<u>1,468,263</u>

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

1. Accounting policies

Statement of compliance

Caledonian Bottlers PLC is a public company limited by shares and incorporated in Scotland. The Registered Office is 4th Floor, 115 George Street, Edinburgh EH2 4JN.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the company for the period ended 30 December 2016.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the company and no rounding has been applied.

Reduced disclosure framework

The company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 *Statement of Financial Position* paragraph 4.12(a)(iv).
- (b) The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d).
- (c) The requirements of Section 11 *Basic Financial Instruments* paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26
- (d) Section 33 *Related Party Disclosures* paragraph 33.7.

The company's ultimate parent undertaking and controlling party is SHS Group Limited, a company incorporated in Northern Ireland, which is the parent undertaking of the largest group to consolidate these financial statements. SHS Group Limited financial statements are available from 199 Airport Road West, Belfast, Co Antrim, Northern Ireland.

Going concern

The directors have assessed, based on the anticipated activities of the company, that there are adequate resources in place to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements. In coming to this conclusion, the directors have assessed the entity's current financing arrangements and liquid resources. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Judgements and key sources of estimation

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

The following are the company's key sources of judgement:

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Details of the company's tax charge are contained in note 6.

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

1. Accounting policies (continued)

Turnover

The turnover shown in the profit and loss account represents income from the contract bottling of beverages. Turnover is recognised at the point of production of finished goods. All turnover relates to sale of goods.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payables are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	–	4% straight-line
Plant and machinery	–	10% straight-line
Fixtures and fittings	–	10% straight-line
Computer equipment	–	33.3% straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Operating leases

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.

The company has not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognise any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund.

Research and development

Research expenditure is charged to the profit and loss account in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

2. Turnover

The whole of the turnover is attributable to the one principal activity.

All turnover arose within the United Kingdom and relates to sale of goods.

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

3. Other operating income

	<i>Period ended 30 December 2016 £</i>	<i>Period ended 1 January 2016 £</i>
Rents receivable	40,000	30,000
	<u>40,000</u>	<u>30,000</u>

4. Operating Profit

This is stated after charging/(crediting):

	<i>Period ended 30 December 2016 £</i>	<i>Period ended 1 January 2016 £</i>
Auditors' remuneration – audit services	6,750	6,750
– tax fees	1,364	1,364
Depreciation of owned fixed assets	230,253	220,311
Operating lease rentals – plant and machinery	<u>10,123</u>	<u>9,795</u>

During the period, no director received any remunerations (period ended 1 January 2016 – nil).

5. Staff costs

	<i>Period ended 30 December 2016 £</i>	<i>Period ended 1 January 2016 £</i>
Wages and salaries	842,641	830,045
Social security costs	121,726	131,182
Other pension costs	54,145	15,326
	<u>1,018,512</u>	<u>976,553</u>

The average monthly number of employees during the period was made up as follows:

	<i>No.</i>	<i>No.</i>
Production	50	45
Administration	4	4
	<u>54</u>	<u>49</u>

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

6. Tax

(a) Tax on profit

The tax charge is made up as follows:

	<i>Period ended 30 December 2016 £</i>	<i>Period ended 1 January 2016 £</i>
Current tax:		
UK corporation tax on the profit for the period	235,457	213,635
Adjustments in respect of prior periods	1,469	10,435
Total current tax (note 6(b))	<u>236,926</u>	<u>224,070</u>
Deferred tax:		
Origination and reversal of timing differences	(1,923)	4,880
Impact of rate change on opening DT	(1,629)	(2,715)
Total deferred tax (note 6(c))	<u>(3,552)</u>	<u>2,165</u>
Tax on profit	<u>233,374</u>	<u>226,235</u>

(b) Factors affecting the total tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 20% (period ended 1 January 2016 – 20.25%). The differences are explained below:

	<i>Period ended 30 December 2016 £</i>	<i>Period ended 1 January 2016 £</i>
Profit before tax	<u>1,093,204</u>	<u>1,072,159</u>
Profit multiplied by standard rate of corporation tax in the UK of 20% (period ended 1 January 2016 – 20.25%)	218,641	217,075
Effects of:		
Expenses not deductible for tax purposes	16,006	15,985
Non-taxable income	(1,451)	(13,937)
Adjustments in respect of previous periods	1,469	10,435
Difference in DT & CT	339	(609)
Change in rate in DT	(1,629)	(2,715)
Total tax for the period (note 6(a))	<u>233,374</u>	<u>226,235</u>

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

6. Tax (continued)

(c) Deferred tax

	£
At 2 January 2016	29,309
Profit and loss account release for the period	(3,552)
At 30 December 2016	<u>25,757</u>

The provision for deferred taxation is made up as follows:

	Period ended 30 December 2016 £	Period ended 1 January 2016 £
Accelerated capital allowances	<u>25,757</u>	<u>29,309</u>

(d) Factors that may affect future tax charges

The corporation tax rate in the UK is 20%. This rate will be reduced on 1 April 2017 to 19%, and then further reduced to 17% on 1 April 2020. The 17% statutory rate of corporation tax was enacted in full on 6 September 2016, and this is the rate at which deferred tax has been provided. No further rate changes have been announced.

7. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost:					
At 2 January 2016	2,143,305	5,321,677	152,310	102,374	7,719,666
Additions	0	14,498	0	0	14,498
At 30 December 2016	<u>2,143,305</u>	<u>5,336,175</u>	<u>152,310</u>	<u>102,374</u>	<u>7,734,164</u>
Depreciation:					
At 2 January 2016	1,166,027	4,421,171	131,284	84,194	5,802,676
Charge for the period	78,558	134,436	6,314	10,945	230,253
At 30 December 2016	<u>1,244,585</u>	<u>4,555,607</u>	<u>137,598</u>	<u>95,139</u>	<u>6,032,929</u>
Net book value:					
At 30 December 2016	<u>898,720</u>	<u>780,568</u>	<u>14,712</u>	<u>7,235</u>	<u>1,701,235</u>
At 2 January 2016	<u>977,278</u>	<u>900,506</u>	<u>21,026</u>	<u>18,180</u>	<u>1,916,990</u>

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

8. Stocks

	30 December 2016	1 January 2016
	£	£
Raw materials	55,871	52,679
	<u>55,871</u>	<u>52,679</u>

Stocks recognised as an expense in the period were £nil (1 January 2016: £nil)

9. Debtors

	30 December 2016	1 January 2016
	£	£
Trade debtors	11,124	19,803
Amounts owed by group undertaking	684,610	932,921
Prepayments and accrued income	46,316	96,091
	<u>742,050</u>	<u>1,048,815</u>

10. Creditors: amounts falling due within one year

	30 December 2016	1 January 2016
	£	£
Trade creditors	117,804	128,973
Amounts owed to group undertaking	–	213,781
Corporation tax	235,457	176,995
Other taxes and social security costs	169,619	169,359
Accruals deferred income	210,385	155,080
	<u>733,265</u>	<u>844,188</u>

11. Issued share capital

	30 December 2016		1 January 2016	
<i>Allotted, called up and fully paid</i>	No.	£	No.	£
Ordinary shares of £1 each	86,667	<u>86,667</u>	86,667	<u>86,667</u>

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

12. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	30 December 2016	1 January 2016
	£	£
Operating profit	1,093,204	1,072,159
Depreciation of tangible fixed assets	230,253	220,311
(Increase)/decrease in stocks	(3,192)	34,764
Decrease/(increase) in debtors	306,765	(334,264)
(Decrease)/increase in creditors	(114,475)	61,380
Net cash inflow from operating activities before taxation paid	1,512,555	1,054,350
Taxation paid	(233,374)	(224,070)
Net cash inflow from operating activities	1,279,181	830,280

(b) Analysis of net cash

	At 1 January 2016	Cash flow	Non cash changes	At 30 December 2016
	£	£	£	£
Cash at bank and in hand	1,468,263	1,264,683	–	2,732,946
Net cash	1,468,263	1,264,683	–	2,732,946

13. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

14. Other financial commitments

At 30 December 2016 the company had future minimum rentals payable under non-cancellable operating leases for plant and machinery as set out below:

	30 December 2016	1 January 2016
	£	£
<i>Operating leases which are due:</i>		
Within one year	23,243	16,654
In two to five years	92,971	–
	116,214	16,654

Notes to the financial statements

For the period from 2 January 2016 to 30 December 2016

15. Related party transactions

	<i>30 December 2016</i>	<i>1 January 2016</i>
	<i>£</i>	<i>£</i>
Sales to SHS Group companies	3,512,399	3,364,851
Purchases from SHS Group companies	<u>285,082</u>	<u>340,282</u>

The amounts outstanding with group undertakings at the period-end are disclosed within the notes to the financial statements. The above aggregated transactions relate to sales and purchases in the normal course of business.

16. Ultimate parent undertaking and controlling party

The directors consider that the immediate parent undertaking of the company is Beverage Brands (UK) Limited, a company incorporated in the United Kingdom. Beverage Brands (UK) Limited is a subsidiary of SHS Group Limited, a company incorporated in Northern Ireland.

The directors consider that the ultimate parent undertaking is SHS Group Limited. The ultimate controlling parties of SHS Group Limited are its shareholders.

The financial statements of SHS Group Limited are available for inspection at the Registrar of Companies, Second Floor, The Linenhall, and 32-38 Linenhall Street, Belfast.