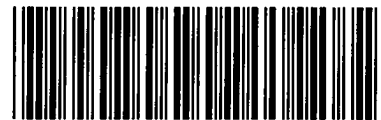


Company Registration No. 02711055 (England and Wales)

Brothers Drinks Co. Limited

**Annual report and financial statements
for the year ended 31 December 2014**

WEDNESDAY



A4H0VRUF

A40

30/09/2015

#255

COMPANIES HOUSE

Saffery Champness
CHARTERED ACCOUNTANTS

Brothers Drinks Co. Limited

Company information

Directors	M Showering J Showering I Glen C J Courage
Secretary	I Glen
Company number	02711055
Registered office	St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ
Independent auditors	Saffery Champness St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ
Bankers	HSBC Bank plc 13 High Street Shepton Mallet Somerset BA4 5AD

Brothers Drinks Co. Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8 - 9
Cash flow statement	10
Notes to the cash flow statement	11 - 12
Notes to the financial statements	13 - 25

Brothers Drinks Co. Limited

Strategic report

For the year ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

Review of the business

Brothers Drinks Co. Limited produced a pre-tax profit of £1,346,929 for the year, up from £1,137,093 in 2013.

The company's contract manufacturing capability adapts to changes in demand between different sectors of the drinks market. During the year under review there was a continued decline in demand for low alcohol spirit based fruit flavoured beverages and an increase in demand for premium soft drinks.

The market for the company's fruit flavoured cider remains challenging with intense competition as off-trade retailers fight for market share. This coupled with brand proliferation and range extensions on the supply side has led to a deflationary pricing environment and a squeeze on established brands. Our business has been impacted by these dynamics, experiencing a net sales revenue decline through volume and price/mix. The business has taken action to stabilise performance through reductions in selling expenses.

The company continued to invest in equipment to further enhance its production capability.

The company's objective is to increase profit before tax and return on capital employed whilst remaining conservatively financed.

Principal risks and uncertainties

The principal risks facing the business include: Government changes in excise rates and regulation; loss of a major bottling customer; and increased competition for the company's own brands. The company manages this risk by developing strong relationships with customers. During the year the company traded with a number of companies across a variety of product categories, which helps spread the risk. Discussions continue with existing and prospective customers.

Brothers Drinks Co. Limited

Strategic report (continued)

For the year ended 31 December 2014

Key performance indicators

The key financial highlights are as follows:

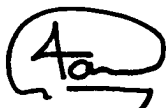
	2014	2013
	£	£
Turnover	19,643,534	26,188,288
Gross profit margin	5,548,741	6,789,071
Profit before tax	1,346,929	1,137,093
Dividends proposed	-	-
Net current assets	6,623,988	3,343,819
Net assets	9,995,106	8,964,295

The changing product mix led to a decline in turnover. A broadly neutral gross profit from bottling operations combined with a reduction in own brand sales led to a decline in gross profit. This was offset by decreased advertising and marketing costs to provide an 18.5% increase in profit before tax for the year compared to the previous year.

Future developments

The directors are of the opinion that under favourable economic conditions the company will continue to trade profitably in future years.

On behalf of the board



I Glen

Director

28/09/2015

Brothers Drinks Co. Limited

Directors' report

For the year ended 31 December 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities

The principal activity of the company during the year was manufacturing and bottling alcoholic and non-alcoholic drinks.

Results and dividends

The results for the year are set out on page 7.

The directors have decided not to declare a dividend this year and to retain all profit earned within the business to fund working capital and future capital expenditure requirements.

The company's financial position remained strong at the year end, both in terms of cash and net assets.

The directors' report does not include a fair review of the business, details of the risks and uncertainties and future developments, as this information is documented within the Strategic Report as required under s414C(11).

Research and development

The company continued to develop own brand products in the year.

Directors

The following directors have held office since 1 January 2014:

M Showering

J Showering

I Glen

F K Showering

(Resigned 3 March 2015)

C J Courage

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

Directors' report (continued)
For the year ended 31 December 2014

Statement of directors' responsibilities

The directors are responsible for preparing the 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 (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

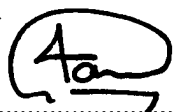
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
I Glen

Director
28/09/2015
.....

Brothers Drinks Co. Limited

Independent auditors' report

To the members of Brothers Drinks Co. Limited

We have audited the financial statements of Brothers Drinks Co. Limited for the year ended 31 December 2014 set out on pages 7 to 25. 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).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, 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 Annual 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 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Brothers Drinks Co. Limited

Independent auditors' report (continued)
To the members of Brothers Drinks Co. Limited

Matters on which we are required to report by exception

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.



David Lemon (Senior Statutory Auditor)
for and on behalf of Saffery Champness

29/9/15

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Brothers Drinks Co. Limited**Profit and loss account****For the year ended 31 December 2014**

		2014	2013
	Notes	£	£
Turnover	2	19,643,534	26,188,288
Cost of sales		(14,094,793)	(19,399,217)
Gross profit		5,548,741	6,789,071
Distribution costs		(1,739,274)	(2,951,320)
Administrative expenses		(2,646,695)	(2,860,047)
Other operating income		10,000	5,000
Operating profit	3	1,172,772	982,704
Other interest receivable and similar income	4	181,548	161,815
Interest payable and similar charges	5	(7,391)	(7,426)
Profit on ordinary activities before taxation		1,346,929	1,137,093
Tax on profit on ordinary activities	6	(317,126)	(295,601)
Profit for the year	18	1,029,803	841,492

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 13 to 25 form part of these financial statements.

Brothers Drinks Co. Limited

**Balance sheet
As at 31 December 2014**

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		3,747,150		4,024,435
Investments	8		1		2,055,183
			<u>3,747,151</u>		<u>6,079,618</u>
Current assets					
Stocks	9	551,277		1,674,004	
Debtors	10	2,344,796		6,022,113	
Investments	11	2,235,992		838	
Cash at bank and in hand		<u>5,117,106</u>		<u>2,300,868</u>	
		10,249,171		9,997,823	
Creditors: amounts falling due within one year	12	<u>(3,625,183)</u>		<u>(6,654,004)</u>	
Net current assets			<u>6,623,988</u>		<u>3,343,819</u>
Total assets less current liabilities			10,371,139		9,423,437
Creditors: amounts falling due after more than one year	13		(60,384)		(192,457)
Provisions for liabilities	14		<u>(315,649)</u>		<u>(266,685)</u>
			<u>9,995,106</u>		<u>8,964,295</u>
Capital and reserves					
Called up share capital	17		1,409,311		1,408,303
Share premium account	18		1,331		1,331
Other reserves	18		87,545		87,545
Profit and loss account	18		<u>8,496,919</u>		<u>7,467,116</u>
Shareholders' funds	19		<u>9,995,106</u>		<u>8,964,295</u>

The notes on pages 13 to 25 form part of these financial statements.

Brothers Drinks Co. Limited

Balance sheet (continued)

As at 31 December 2014

Approved by the Board and authorised for issue on 28/09/2015

Matthew Showering
.....

M Showering

Director

Company Registration No. 02711055

Brothers Drinks Co. Limited

Cash flow statement

For the year ended 31 December 2014

	2014	2013
	£	£
Net cash inflow from operating activities	3,242,697	1,406,354
Returns on investments and servicing of finance		
Interest received	181,500	161,772
Interest paid	(7,391)	(7,426)
Dividends received	48	43
	<u>174,157</u>	<u>154,389</u>
Net cash inflow for returns on investments and servicing of finance	174,157	154,389
Taxation	(305,427)	(176,841)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(160,403)	(160,112)
Payments to acquire investments	-	(2,000,000)
Receipts from sales of tangible assets	19,289	3,200
	<u>(141,114)</u>	<u>(2,156,912)</u>
Net cash outflow for capital expenditure	(141,114)	(2,156,912)
Net cash inflow/(outflow) before management of liquid resources and financing	2,972,203	(773,010)
Financing		
New long term bank loan	-	192,457
Other new short term loans	-	139,964
Repayment of long term bank loan	(132,073)	(138,052)
Repayment of other short term loans	-	(69,619)
	<u>(132,073)</u>	<u>124,750</u>
Net cash (outflow)/inflow from financing	(132,073)	124,750
Increase/(decrease) in cash in the year	<u>2,840,130</u>	<u>(648,260)</u>

Brothers Drinks Co. Limited

**Notes to the cash flow statement
For the year ended 31 December 2014**

1 Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
	£	£
Operating profit	1,172,772	982,704
Depreciation of tangible assets	421,927	480,531
Profit on disposal of tangible assets	(4,066)	(3,200)
Decrease in stocks	1,122,727	589,746
Decrease/(increase) in debtors	3,677,317	(1,194,860)
(Decrease)/Increase in creditors within one year	(3,006,708)	537,206
Increase in provisions	39,044	68,400
Equity-settled share-based payments	1,008	1,008
Rolled-up interest on loan notes	(163,830)	(55,182)
Net cash inflow from operating activities	3,260,191	1,406,353

2 Analysis of net funds	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	2,300,868	2,816,238	-	5,117,106
Bank overdrafts	(23,892)	23,892	-	-
	<u>2,276,976</u>	<u>2,840,130</u>	<u>-</u>	<u>5,117,106</u>
Liquid resources:				
Current asset investments	838	-	(838)	-
Debt:				
Debts falling due within one year	(139,964)	-	-	(139,964)
Debts falling due after one year	(192,457)	132,073	-	(60,384)
	<u>(332,421)</u>	<u>132,073</u>	<u>-</u>	<u>(200,348)</u>
Net funds	1,945,393	2,972,203	(838)	4,916,758

Brothers Drinks Co. Limited

Notes to the cash flow statement (continued)

For the year ended 31 December 2014

3 Reconciliation of net cash flow to movement in net funds	2014	2013
	£	£
Increase/(decrease) in cash in the year	2,840,130	(648,260)
Cash outflow/(inflow) from decrease/(increase) in debt	132,073	(124,750)
Other non cash changes	(838)	-
	<hr/>	<hr/>
Movement in net funds in the year	2,971,365	(773,010)
Opening net funds	1,945,393	2,718,403
	<hr/>	<hr/>
Closing net funds	4,916,758	1,945,393
	<hr/>	<hr/>

4 Liquid resources

Included as liquid resources are cash and bank balances and bank overdrafts repayable on demand only.

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The financial statements present information about the company as an individual undertaking. Group accounts are not prepared as the company's subsidiary is dormant and its net assets immaterial.

1.3 Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after the deduction of trade discounts, value added tax and duty.

1.4 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2 - 4% straight line
Plant and machinery	5 - 20% straight line or 20% reducing balance
Fixtures, fittings and equipment	20 - 25% straight line
Motor vehicles	25% straight line

1.6 Leasing

Rentals payable or receivable under operating leases are charged to or credited against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.
Current asset investments are stated at the lower of cost and net realisable value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. In the case of finished goods, cost includes not only the purchase cost of raw materials but also the cost of production overheads and duty paid.

Brothers Drinks Co. Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2014**1 Accounting policies****(continued)****1.9 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Share-based payments

The company issues equity-settled share based payments to one of the directors. Equity-settled share-based payments are measured at par and are recognised as an expense on the date of an issue, together with a corresponding increase in equity.

2 Turnover**Geographical market**

	2014	2013
	£	£
United Kingdom	19,252,543	26,047,213
Overseas	390,791	141,075
	<u>19,643,334</u>	<u>26,188,288</u>

3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	421,926	480,531
Operating lease rentals	334,818	387,544
Auditors' remuneration (including expenses and benefits in kind)	12,250	12,000
Auditor's remuneration for non-audit services	5,750	6,000
and after crediting:		
Profit on disposal of tangible assets	<u>(4,066)</u>	<u>(3,200)</u>

Brothers Drinks Co. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2014

4	Investment income	2014	2013
		£	£
	Dividends received	48	43
	Other interest	165,896	161,772
		<u> </u>	<u> </u>
5	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	7,391	7,426
		<u> </u>	<u> </u>

Brothers Drinks Co. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2014

6 Taxation	2014	2013
	£	£
Domestic current year tax		
U.K. corporation tax	307,206	287,933
Total current tax	307,206	287,933
Deferred tax		
Origination and reversal of timing differences	9,920	7,668
	<u>317,126</u>	<u>295,601</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>1,346,929</u>	<u>1,137,093</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)	<u>289,455</u>	<u>264,374</u>
Effects of:		
Non deductible expenses	7,585	13,573
Depreciation for period in excess of capital allowances	8,563	12,054
Tax chargeable at lower rates	(259)	(2,058)
Dividends and distributions received	(10)	(10)
Other tax adjustments	1,872	-
	<u>17,751</u>	<u>23,559</u>
Current tax charge for the year	<u>307,206</u>	<u>287,933</u>

Brothers Drinks Co. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2014

7 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2014	3,762,118	5,869,972	986,218	105,353	10,723,661
Additions	-	90,258	42,032	28,113	160,403
Disposals	-	(26,373)	(30,587)	(41,042)	(98,002)
At 31 December 2014	<u>3,762,118</u>	<u>5,933,857</u>	<u>997,663</u>	<u>92,424</u>	<u>10,786,062</u>
Depreciation					
At 1 January 2014	1,126,256	4,654,745	830,434	87,791	6,699,226
On disposals	-	(26,373)	(29,288)	(26,579)	(82,240)
Charge for the year	<u>101,985</u>	<u>240,003</u>	<u>71,020</u>	<u>8,918</u>	<u>421,926</u>
At 31 December 2014	<u>1,228,241</u>	<u>4,868,375</u>	<u>872,166</u>	<u>70,130</u>	<u>7,038,912</u>
Net book value					
At 31 December 2014	<u>2,533,877</u>	<u>1,065,482</u>	<u>125,497</u>	<u>22,294</u>	<u>3,747,150</u>
At 31 December 2013	<u>2,635,862</u>	<u>1,215,227</u>	<u>155,784</u>	<u>17,562</u>	<u>4,024,435</u>

The net book value of freehold property includes £750,000 (2013: £750,000) relating to freehold land which is not depreciated.

Brothers Drinks Co. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2014

8 Fixed asset investments

	Unlisted investments	Shares in group undertakings	Total
	£	£	£
Cost			
At 1 January 2014	2,055,182	1	2,055,183
Additions	179,972	-	179,972
Reclassification	(2,235,154)	-	(2,235,154)
	<u>-</u>	<u>1</u>	<u>1</u>
At 31 December 2014	-	1	1
Net book value			
At 31 December 2014	<u>-</u>	<u>1</u>	<u>1</u>
At 31 December 2013	<u>2,055,182</u>	<u>1</u>	<u>2,055,183</u>

The company owns 100% of the issued share capital of Dulcote Limited. The company is registered in England. The company has not traded since incorporation. Its aggregate capital and reserves at the year end amounted to £1.

On 12 March 2013, the company invested in a fellow drinks company, Fevertree TopCo Limited. The initial investment, of £2,000,000, involved the acquisition of a minority shareholding for £15,604 and the provision of long term loans of £1,984,396.

During the year, Fevertree TopCo Limited went to market listing on the FTSE AIM as Fevertree Drinks Plc. The entire investment held was converted to ordinary share capital, inclusive of loan interest rolled up in the year. Due to the nature of the investment, it has been reclassified as a current asset investment.

9 Stocks

	2014	2013
	£	£
Raw materials and consumables	445,177	1,567,900
Finished goods and goods for resale	106,100	106,104
	<u>551,277</u>	<u>1,674,004</u>

Brothers Drinks Co. Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2014

10 Debtors	2014	2013
	£	£
Trade debtors	2,063,789	5,930,238
Other debtors	-	50,100
Prepayments and accrued income	281,007	41,775
	<u>2,344,796</u>	<u>6,022,113</u>

11 Current asset investments	2014	2013
	£	£
Listed investments	<u>2,235,992</u>	<u>838</u>
Market valuation of listed investments	<u>8,051,510</u>	<u>1,761</u>

The above investments' market values do not differ from their stock exchange values.

12 Creditors: amounts falling due within one year	2014	2013
	£	£
Bank loans and overdrafts	139,964	163,856
Trade creditors	879,852	4,278,034
Corporation tax	289,712	287,933
Other taxes and social security costs	789,979	521,682
Other creditors	9,758	-
Accruals and deferred income	<u>1,515,918</u>	<u>1,402,499</u>
	<u>3,625,183</u>	<u>6,654,004</u>

The bank loan and overdraft are secured by a fixed charge over land and buildings, chattels, goodwill and book debt and a floating charge over all other assets.

Brothers Drinks Co. Limited**Notes to the financial statements (continued)****For the year ended 31 December 2014**

13 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Bank loans	<u>60,384</u>	<u>192,457</u>
Analysis of loans		
Wholly repayable within five years	<u>200,348</u>	<u>332,421</u>
	200,348	332,421
Included in current liabilities	<u>(139,964)</u>	<u>(139,964)</u>
	<u>60,384</u>	<u>192,457</u>
Loan maturity analysis		
In more than one year but not more than two years	<u>60,384</u>	<u>139,964</u>

The bank loan and overdraft are secured by a fixed charge over land and buildings, chattels, goodwill and book debt and a floating charge over all other assets.

Brothers Drinks Co. Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2014**14 Provisions for liabilities**

	Deferred tax liability	Other	Total
	£	£	£
Balance at 1 January 2014	23,385	243,300	266,685
Profit and loss account	9,920	39,044	48,964
Balance at 31 December 2014	<u>33,305</u>	<u>282,344</u>	<u>315,649</u>

The deferred tax liability is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	<u>33,305</u>	<u>23,385</u>

The company has provided for certain operational costs which it has a probable legal obligation to pay but which are uncertain of timing and amount. New provisions of £39,044 (2013: £64,800) were made in the year. It is possible that future events will reveal that no liability exists in respect of the carry forward provision, but at the year end the directors consider it more likely than not that the costs will be incurred.

15 Pension and other post-retirement benefit commitments
Defined contribution

	2014	2013
	£	£
Contributions paid by the company for the year	<u>94,913</u>	<u>84,512</u>

16 Share based payments

During the year the company issued 1,008 ordinary £1 shares (2013: 1,008) to the director I D Glen as part of his remuneration package. The company has not carried out a valuation exercise in the year to determine the fair value and therefore has issued these at par. The directors are of the opinion that the overall difference in market value and par would not be material to the financial statements. The company recognised total expenditure of £1,008 (2013: £1,008) related to equity settled share-based payment transactions during the year.

Brothers Drinks Co. Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2014

17 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
1,409,311 Ordinary shares of £1 each	<u>1,409,311</u>	<u>1,408,303</u>

During the year 1,008 ordinary shares were allotted at par.

18 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2014	1,331	87,545	7,467,116
Profit for the year	-	-	1,029,803
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	<u>1,331</u>	<u>87,545</u>	<u>8,496,919</u>

Other reserves**Capital redemption reserve**

Balance at 1 January 2014 & at 31 December 2014

87,545

19 Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Profit for the financial year	1,029,803	841,492
Proceeds from issue of shares	1,008	1,008
	<hr/>	<hr/>
Net addition to shareholders' funds	1,030,811	842,500
Opening shareholders' funds	8,964,295	8,121,795
	<hr/>	<hr/>
Closing shareholders' funds	<u>9,995,106</u>	<u>8,964,295</u>

Notes to the financial statements (continued)
For the year ended 31 December 2014

20 Contingent liabilities

The company has received notification of a potential claim that may be made against the company arising from operational matters that occurred in 2011. The company has denied liability in full and the directors are of the opinion that the potential claim will be successfully resisted and that it is impossible to quantify the exact amount of the claim. Additional information usually required by FRS 12 is not disclosed on the grounds that it could prejudice the company's position.

21 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	175,423	126,575	20,766	-
Within two to five years	77,405	121,637	14,174	4,029
	<u>252,828</u>	<u>248,212</u>	<u>34,940</u>	<u>4,029</u>

After the year end, the company entered into a non-cancellable operating lease for £48,000 per annum; all expiring within 1 year from the date of entering the agreement in February 2015.

22 Capital commitments

2014
£

2013
£

At 31 December 2014 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	<u>127,948</u>	<u>-</u>
---	----------------	----------

The capital commitment entirely relates to plant and machinery purchases agreed at the year end.

Notes to the financial statements (continued)
For the year ended 31 December 2014

23 Directors' remuneration	2014	2013
	£	£
Remuneration for qualifying services	918,019	902,790
Company pension contributions to defined contribution schemes	22,406	18,000
	<u>940,425</u>	<u>920,790</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2013 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>297,613</u>	<u>277,321</u>
--------------------------------------	----------------	----------------

24 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014	2013
	Number	Number
Number of production staff	77	80
Number of administrative staff	31	25
Number of directors	5	5
	<u>113</u>	<u>110</u>

Employment costs	2014	2013
	£	£
Wages and salaries	3,422,303	3,245,808
Social security costs	342,689	340,428
Other pension costs	94,913	84,512
Equity-settled share-based payments	1,008	1,008
	<u>3,860,913</u>	<u>3,671,756</u>

Brothers Drinks Co. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2014

25 Post balance sheet events

On 31 July 2015, a dividend totalling £1,000,000 was proposed and paid to the shareholders of the company.

26 Related party relationships and transactions

Other transactions

During the year 1,008 (2013: 1,008) ordinary £1 shares were issued at par to I D Glen, a director of the company.