

Bevie Partners Limited

Annual Report and Financial Statements

Year Ended

31 August 2019

Company Number 02750237



Bevie Partners Limited

Company Information

Directors	W T Rahr J Taylor I Ward
Registered number	02750237
Registered office	Philip Jones House Poole Hall Industrial Estate Poole Hall Road Ellesmere Port CH66 1ST
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Bevie Partners Limited

Contents

	Page
Group Strategic Report	1 - 2
Directors' Report	3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 - 7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Company Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13 - 14
Notes to the Financial Statements	15 - 36

Bevie Partners Limited

Group Strategic Report For the Year Ended 31 August 2019

The directors present their strategic report together with the audited financial statements for the period ended 31 August 2019.

The comparative year covers the 5 month period from 31 March 2018 to the 31 August 2018.

Principal activities

The principal activities of the group were the manufacture of ingredients and kits for home brewing and the supply of bulk ingredients to commercial alcoholic drinks manufacturers.

Business review

Bevie Partners Limited has had another successful year with continued growth across all sectors.

Turnover has increased 11% compared with September 2017 - August 2018 and we have invested in our products and brands, with the expectation of generating future sales growth.

Research and development continues to play a vital role in delivering growth globally for the group, investment in specialist personnel and equipment being a key part of this. Several new opportunities are being explored and this will continue through the next financial year.

In October 2018 Bevie Partners Limited incorporated a new subsidiary BSGi NL Warehouse B.V, a warehouse operating company in the Netherlands. This has enabled better service to European customers and efficiencies in distribution using localised expertise. The European warehouse has also released capacity in the United Kingdom warehouse to enable exceptional service.

Principal risks and uncertainties

Regulatory risks

The group is potentially exposed to regulatory changes surrounding alcohol internationally. This includes government policies and laws relating to consumption, which may have an indirect effect upon the market, taxes and duties, which could also impact upon customers. The group also needs to take into account regulatory standards surrounding the quality of food and related products. An example is BRC Food Quality accreditation, in which Bevie Partners Limited has achieved AA Grade status.

Commercial risk

The group faces competition in both pricing and market share. This is managed through long standing relationships between the group and its customers. The group strives to continually enhance its reputation for quality and service.

Currency risk

The group is exposed to currency risk as sales are invoiced in different currencies. As a result the group is exposed to exchange gain variances between GBP, the US Dollar and the Euro. Management continually monitor the exposure of the group. Currency risk is managed at group level by identifying natural hedges and considering the cashflow needs of the group as a whole.

Future developments

The directors expect the current areas of business growth to continue and for new market opportunities to develop over the next 12 months.

Bevie Partners Limited

Group Strategic Report (continued) For the Year Ended 31 August 2019

Financial key performance indicators

The directors and senior managers work to Key Performance Indicators ("KPIs") in relation to BRC Food Quality accreditation.

Client satisfaction is also tested and measured across the business and internal KPIs include incident free targets in relation to health and safety, quality and employee involvement.

Financial KPIs are as follows;

Operations:

Turnover - year ended 31 August 2019 - £11,527,697 (5 months ended 31 August 2018 - £5,054,960)

Profit after tax - year ended 31 August 2019 - £932,092 (5 months ended 31 August 2018 - profit of £716,138)

Liquidity and financing:

Net current assets - year ended 31 August 2019 - £6,706,898 (5 months ended 31 August 2018 - £5,775,247)

Shareholders' funds - year ended 31 August 2019 - £7,101,800 (5 months ended 31 August 2018 - £6,149,708)

Other key performance indicators

Health and safety:

1,775 safe days to date (31 August 2018 - 1,409)

77 near misses reported (31 August 2018 - 52)

14 minor accidents (cuts/grazes) (31 August 2018 - 6)

No lost time or RIDDOR* reporting incidents


Safety Champions scheme continued

*Note; Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

Quality:

BRC Accreditation AA Grade

This report was approved by the board on 18/12/2019 and signed on its behalf.



J Taylor
Director

Bevie Partners Limited

Directors' Report For the Year Ended 31 August 2019

The directors present their report together with the audited financial statements for the year ended 31 August 2019.

Business review

A review of the business including the principal risks and uncertainties, details on the financial risk management objectives and policies and information on exposure to risks is included in the strategic report.

Results and dividends

The profit for the year, after taxation, amounted to £932,092 (5 month period ended 31 August 2018 - profit of £716,138).

No dividends were paid in the year (5 month period ended 31 August 2018 - £1,496,142).

Directors

The directors who served during the year were:

P R Eastwood (resigned 31 August 2019)
W T Rahr
J Taylor
I Ward

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post statement of financial position events

There have been no significant events affecting the group since the year end.

Auditor

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

This report was approved by the board on 18 / 12 / 2019

and signed on its behalf.



J Taylor
Director

Bevie Partners Limited

Directors' Responsibilities Statement For the Year Ended 31 August 2019

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Bevie Partners Limited

Independent Auditor's Report to the Members of Bevie Partners Limited

Opinion

We have audited the financial statements of Bevie Partners Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 August 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2019 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- 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 or parent 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.

Bevie Partners Limited

Independent Auditor's Report to the Members of Bevie Partners Limited (continued)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

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

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

Bevie Partners Limited

Independent Auditor's Report to the Members of Bevie Partners Limited (continued)

Responsibilities of directors

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

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

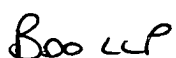
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

18/12/2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Bevie Partners Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 August 2019

	Note	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
Turnover	4	11,527,697	5,054,960
Cost of sales		(6,838,249)	(2,622,903)
Gross profit		4,689,448	2,432,057
Distribution costs		(657,381)	(177,706)
Administrative expenses		(4,304,648)	(1,597,117)
Other operating income	5	1,445,631	257,470
Operating profit	6	1,173,050	914,704
Interest receivable and similar income	10	8,589	29,460
Interest payable and similar charges	11	(3,759)	(12,183)
Profit before tax		1,177,880	931,981
Tax on profit	12	(245,788)	(215,843)
Profit for the financial year/period		932,092	716,138
Other comprehensive income		-	-
Total comprehensive income for the year/period		932,092	716,138

The notes on pages 15 to 36 form part of these financial statements.

Bevie Partners Limited
Registered number: 02750237

Consolidated Statement of Financial Position
As at 31 August 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	14		18,462		23,689
Tangible assets	15		376,440		370,772
			<u>394,902</u>		<u>394,461</u>
Current assets					
Stocks	17	2,406,903		2,382,746	
Debtors: amounts falling due within one year	18	4,170,453		3,142,180	
Cash at bank and in hand		1,258,128		1,594,289	
		<u>7,835,484</u>		<u>7,119,215</u>	
Creditors: amounts falling due within one year	19	(1,128,586)		(1,343,968)	
Net current assets			<u>6,706,898</u>		<u>5,775,247</u>
Net assets			<u><u>7,101,800</u></u>		<u><u>6,169,708</u></u>
Capital and reserves					
Called up share capital	22	20,000		20,000	
Profit and loss account	23	7,081,800		6,149,708	
Total equity			<u><u>7,101,800</u></u>		<u><u>6,169,708</u></u>

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

18/12/2019



J Taylor
Director

The notes on pages 15 to 36 form part of these financial statements.

Bevie Partners Limited

Registered number:02750237

**Company Statement of Financial Position
As at 31 August 2019**

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	14		18,462		23,689
Tangible assets	15		314,617		370,772
Investments	16		883		-
			<u>333,962</u>		<u>394,461</u>
Current assets					
Stocks	17	2,406,903		2,382,746	
Debtors: amounts falling due within one year	18	4,100,475		3,142,180	
Cash at bank and in hand		1,215,627		1,594,289	
			<u>7,723,005</u>		<u>7,119,215</u>
Creditors: amounts falling due within one year	19	(1,021,042)		(1,343,968)	
Net current assets			<u>6,701,963</u>		<u>5,775,247</u>
Net assets			<u>7,035,925</u>		<u>6,169,708</u>
Capital and reserves					
Called up share capital	22	20,000		20,000	
Profit and loss account	23	7,015,925		6,149,708	
Total equity			<u>7,035,925</u>		<u>6,169,708</u>

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 profit after tax of the parent company in the period was £866,217 (5 month period ended 31 August 2018 - £716,138).

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


J Taylor
Director

18/12/2019

The notes on pages 15 to 36 form part of these financial statements.

Bevie Partners Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 August 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2018	20,000	6,149,708	6,169,708
Comprehensive loss for the year			
Profit for the year	-	932,092	932,092
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	932,092	932,092
At 31 August 2019	20,000	7,081,800	7,101,800

Consolidated Statement of Changes in Equity For the Period Ended 31 August 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	20,000	6,929,712	6,949,712
Comprehensive income for the period			
Profit for the period	-	716,138	716,138
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	716,138	716,138
Dividends: Equity capital	-	(1,496,142)	(1,496,142)
At 31 August 2018	20,000	6,149,708	6,169,708

The notes on pages 15 to 36 form part of these financial statements.

Bevie Partners Limited

Company Statement of Changes in Equity For the Year Ended 31 August 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2018	20,000	6,149,708	6,169,708
Comprehensive income for the year			
Profit for the year	-	866,217	866,217
Total comprehensive income for the year	-	866,217	866,217
Total transactions with owners	-	-	-
At 31 August 2019	20,000	7,015,925	7,035,925

Company Statement of Changes in Equity For the Year Ended 31 August 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	20,000	6,929,712	6,949,712
Comprehensive income for the period			
Profit for the period	-	716,138	716,138
Total comprehensive income for the period	-	716,138	716,138
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,496,142)	(1,496,142)
Total transactions with owners	-	(1,496,142)	(1,496,142)
At 31 August 2018	20,000	6,149,708	6,169,708

The notes on pages 15 to 36 form part of these financial statements.

Bevie Partners Limited

Consolidated Statement of Cash Flows For the Year Ended 31 August 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year/period	932,092	716,138
Adjustments for:		
Amortisation of intangible assets	5,227	3,676
Depreciation of tangible assets	160,206	65,833
Interest paid	3,759	12,183
Interest received	(8,589)	(29,460)
Taxation charge	245,788	215,843
(Increase)/decrease in stocks	(24,157)	345,557
(Increase) in debtors	(286,092)	(683,339)
(Decrease) in creditors	(302,193)	(92,803)
Corporation tax (paid)	(243,434)	(118,960)
Net cash generated from operating activities	482,607	434,668
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(1,454)
Purchase of tangible fixed assets	(165,874)	(173,051)
Interest received	8,589	29,460
New loans to group undertakings	(658,603)	-
Group undertakings loans repaid	-	4,106,569
Net cash from investing activities	(815,888)	3,961,524

Bevie Partners Limited

Statement of Cash Flows (continued) For the Year Ended 31 August 2019

	2019 £	2018 £
Cash flows from financing activities		
Loans from other participating interests repaid	-	(1,624,153)
Dividends paid	-	(1,496,142)
Interest paid	(3,759)	(12,183)
Net cash used in financing activities	(3,759)	(3,132,478)
Net (decrease)/increase in cash and cash equivalents	(337,040)	1,263,714
Cash and cash equivalents at beginning of year/period	1,594,289	330,575
Foreign exchange gains and losses	879	-
Cash and cash equivalents at the end of year/period	1,258,128	1,594,289
Cash and cash equivalents at the end of year/period comprise:		
Cash at bank and in hand	1,258,128	1,594,289

The notes on pages 15 to 36 form part of these financial statements.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

1. General information

Bevie Partners Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the group strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have reviewed the timing of cash flows and financial obligations of the group for a period extending 12 months from the date of approval of the financial statements. On this basis, it is considered that the group will have adequate resources to meet its obligations as they fall due and therefore the going concern basis has been adopted in preparing the financial statements.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

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.

Amortisation is provided on the following bases:

Trademarks	-	10 % on cost
Software developments costs	-	33 % on cost

2.6 Tangible fixed assets

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

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.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20% on cost
---------------------	---	-------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost included all direct costs and an appropriate proportion of the fixed and variable 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.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.10 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

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.

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 statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.13 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 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.

2.15 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

2. Accounting policies (continued)

2.16 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 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.

2.18 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

2. Accounting policies (continued)

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 Research and development

Research and development expenditure is written off in the year in which it is incurred.

2.22 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 15)**
Tangible fixed assets, other than investment properties, 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 re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Stock (see note 17)**
At each year end the group considered the value of stock provision required in the financial statements. The company believe that due to the nature of the group's stock any provision would be immaterial to the financial statements. This is because the company's raw materials can be used across a number of product lines reducing the risk of obsolescence
- **Trade debtors (see note 18)**
The value of any receivables outstanding are assessed as at each year. In assessing these values, factors such as past payment history and knowledge of the customer are considered.

4. Turnover

An analysis of turnover by country of destination:

	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
United Kingdom	1,485,297	735,198
Rest of Europe	1,744,690	909,509
Rest of the World	8,297,710	3,410,253
	<u>11,527,697</u>	<u>5,054,960</u>

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

5. Other operating income

	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
Charges to related undertaking (note 27)	<u>1,445,631</u>	<u>257,470</u>

6. Operating profit

The operating profit is stated after charging:

	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
Research & development charged as an expense	2,218	2,832
Depreciation of tangible fixed assets	160,206	65,833
Amortisation of intangible fixed assets, including goodwill	5,227	3,676
Exchange differences	(115,653)	(79,111)
Other operating lease rentals	354,805	122,225
Defined contribution pension costs	<u>117,454</u>	<u>37,058</u>

7. Auditor's remuneration

	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>16,088</u>	<u>13,000</u>
Fees for taxation and other services	<u>10,665</u>	<u>3,000</u>

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

8. Employees

Staff costs were as follows:

	Group Year ended 31 August 2019 £	Group 5 month Period ended 31 August 2018 £	Company Year ended 31 August 2019 £	Company 5 month Period ended 31 August 2018 £
Wages and Salaries	2,649,945	902,258	2,368,796	902,258
Social security costs	256,163	80,131	208,312	80,131
Pension costs	117,454	37,058	103,440	37,058
	<u>3,023,562</u>	<u>1,019,447</u>	<u>2,680,548</u>	<u>1,019,447</u>

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

	Group Year ended 31 August 2019 No.	Group 5 month Period ended 31 August 2018 No.	Company Year ended 31 August 2019 No.	Company 5 month Period ended 31 August 2018 No.
Production	42	39	36	39
Sales	12	9	12	9
Administration	14	12	14	12
Management	2	1	2	1
Laboratory	13	12	13	12
	<u>83</u>	<u>73</u>	<u>77</u>	<u>73</u>

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

9. Directors' remuneration

	5 month Period ended 31 August 2018 £
Directors' emoluments	20,400
Company contributions to defined contribution pension scheme	2,196
	<u>22,596</u>

During the year, no retirement benefits were accruing to directors (5 month period ended 31 August 2018 - 1) in respect of defined contribution pension schemes.

From 31 May 2018, the directors were remunerated through other group companies.

Key management personnel

Key management personnel are considered to be the directors and remuneration for their services was as disclosed above.

10. Interest receivable and similar income

	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
Interest on loans to related undertakings	<u>8,589</u>	<u>29,460</u>

11. Interest payable and similar charges

	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
Interest payable on loans from related undertakings	<u>3,759</u>	<u>12,183</u>

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

12. Taxation

	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
Corporation tax		
Current tax on profits for the year/period	227,400	155,408
Adjustments in respect of previous periods	13,276	56,292
Double taxation relief	(663)	(2,910)
	<u>240,013</u>	<u>208,790</u>
Foreign tax on income for the year/period	663	2,910
	<u>663</u>	<u>2,910</u>
Total current tax	<u>240,676</u>	<u>211,700</u>
Deferred tax		
Origination and reversal of timing differences	2,615	6,443
Adjustments in respect of prior periods	2,497	(2,300)
Total deferred tax	<u>5,112</u>	<u>4,143</u>
Taxation on profit on ordinary activities	<u><u>245,788</u></u>	<u><u>215,843</u></u>

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

12. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (period ended 31 August 2018 - higher than) the standard rate of corporation tax in the UK of 19% (period ended 31 August 2018 - 19%). The differences are explained below:

	Year ended 31 August 2019 £	5 month Period ended 31 August 2018 £
Profit on ordinary activities before tax	1,177,880	931,981
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	223,797	177,076
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,315	133
Fixed asset differences	613	-
Research and development tax credit	3,597	1,497
Adjustment to tax charge in respect of previous periods	13,276	56,292
Adjustment to tax charge in respect of previous periods - deferred tax	2,497	(2,300)
Adjust deferred tax to average rate 19%	(307)	(759)
Other differences leading to an increase (decrease) in the tax charge, including change in tax rates	-	(16,096)
Total tax charge for the year/period	245,788	215,843

Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax asset at 31 August 2019 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

13. Dividends

	2019 £	2018 £
Dividends on equity capital	-	1,496,142

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

14. Intangible assets

Group

	Trademarks £	Computer software £	Total £
Cost			
At 1 September 2018	15,716	304,941	320,657
At 31 August 2019	15,716	304,941	320,657
Amortisation			
At 1 September 2018	731	296,237	296,968
Charge for the year	1,573	3,654	5,227
At 31 August 2019	2,304	299,891	302,195
Net book value			
At 31 August 2019	13,412	5,050	18,462
At 31 August 2018	14,985	8,704	23,689

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

14. Intangible assets (continued)

Company

	Trademarks £	Computer software £	Total £
Cost			
At 1 September 2018	15,716	304,941	320,657
At 31 August 2019	15,716	304,941	320,657
Amortisation			
At 1 September 2018	731	296,237	296,968
Charge for the year	1,573	3,654	5,227
At 31 August 2019	2,304	299,891	302,195
Net book value			
At 31 August 2019	13,412	5,050	18,462
At 31 August 2018	14,985	8,704	23,689

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

15. Tangible fixed assets

Group

	Plant and machinery £
Cost or valuation	
At 1 September 2018	2,250,466
Additions	165,874
At 31 August 2019	<u>2,416,340</u>
Depreciation	
At 1 September 2018	1,879,694
Charge for the year	160,206
At 31 August 2019	<u>2,039,900</u>
Net book value	
At 31 August 2019	<u><u>376,440</u></u>
At 31 August 2018	<u><u>370,772</u></u>

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

15. Tangible fixed assets (continued)

Company

	Plant and machinery £
Cost or valuation	
At 1 September 2018	2,250,466
Additions	95,352
At 31 August 2019	<u>2,345,818</u>
Depreciation	
At 1 September 2018	1,879,694
Charge for the year	151,507
At 31 August 2019	<u>2,031,201</u>
Net book value	
At 31 August 2019	<u>314,617</u>
At 31 August 2018	<u>370,772</u>

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
Additions	883
At 31 August 2019	<u>883</u>

Subsidiary undertakings

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding	Principal activity
BSGi NL Limited	Ordinary	100%	Warehouse Storage

The registered office address of the above is Parelaan 12, 2132WS Hoofddorp.

17. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	2,071,716	1,841,235	2,071,716	1,841,235
Work in progress (goods to be sold)	53,331	94,746	53,331	94,746
Finished goods and goods for resale	281,856	446,765	281,856	446,765
	<u>2,406,903</u>	<u>2,382,746</u>	<u>2,406,903</u>	<u>2,382,746</u>

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

Inventory charges to cost of goods sold during the year ended 31 August 2019 was £5,955,763 (5 month period ended 31 August 2018 - £2,357,540).

There is no material difference between the carrying value of inventory and its replacement cost.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

18. Debtors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,571,165	1,490,559	1,571,165	1,490,559
Amounts owed by group undertakings	2,280,305	1,329,514	2,241,016	1,329,514
Other debtors	45,682	31,596	45,382	31,596
Prepayments and accrued income	222,489	237,497	192,100	237,497
Tax recoverable	2,910	-	2,910	-
Deferred taxation	47,902	53,014	47,902	53,014
	4,170,453	3,142,180	4,100,475	3,142,180

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £71 (5 month period ended 31 August 2018 - £Nil).

19. Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	535,572	327,289	534,955	327,289
Amounts owed to group undertakings	21,137	385,173	21,137	385,173
Corporation tax	143,940	141,322	131,557	141,322
Other taxation and social security	131,616	44,537	53,148	44,537
Other creditors	111,723	52,111	109,285	52,111
Accruals and deferred income	184,598	393,536	170,960	393,536
	1,128,586	1,343,968	1,021,042	1,343,968

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

20. Financial instruments

	Group 2019 £	Group 2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>5,377,769</u>	<u>4,414,362</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(853,030)</u>	<u>(1,158,109)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors (£1,571,165), amounts owed by group undertakings (£2,280,305), other debtors (£45,682), prepayments and accrued income (£222,489) and cash at bank (£1,258,128).

Financial liabilities measured at amortised cost comprise trade creditors (£535,572), amounts owed by related undertakings (£21,137), other creditors (£111,723) and accruals and deferred income (£184,598).

21. Deferred taxation

Group

	2019 £
At beginning of year	53,014
Charged to profit or loss	(5,112)
At 31 August 2019	<u><u>47,902</u></u>

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

21. Deferred taxation (continued)

Company

	2019 £
At beginning of year	53,014
Charged to profit or loss	(5,112)
At 31 August 2019	47,902

The deferred tax asset is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances - asset	47,646	50,854	47,646	50,854
Short term timing differences - asset	256	2,160	256	2,160
	47,902	53,014	47,902	53,014

22. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
20,000 ordinary shares of £1 each	20,000	20,000

23. Reserves

The group and company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

24. Pension commitments

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 £117,454 (5 month period ended 31 August 2018 - £37,058). Contributions of £3,803 (5 month period ended 31 August 2018 - £12,708) were payable to the fund at the statement of financial position date and are included in creditors.

25. Commitments under operating leases

At 31 August 2019 the group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2019 £	2018 £
Not later than 1 year	366,397	293,341
Later than 1 year and not later than 5 years	1,295,803	1,010,921
Later than 5 years	637,385	1,178,243
	<u>2,299,585</u>	<u>2,482,505</u>

26. Other financial commitments

There is a guarantee in favour of HMRC in relation to VAT of £Nil (period ended 31 August 2018 - £14,000).

Bevie Partners Limited

Notes to the Financial Statements For the Year Ended 31 August 2019

27. Related party transactions

Disclosure of payments to key management personnel are in note 9.

During the year, the company entered into the following transactions in the ordinary course of business with BC Rhino Limited (formerly Bevie Craft Limited) a related party through a common director.

Sales £Nil (5 month period ended 31 August 2018 - £433,674)

During the year, the company entered into the following transactions in the ordinary course of business with BSGi NZ Limited, a related party with the same ownership and directors.

Sales £3,596,658 (5 month period ended 31 August 2018 - £696,278)

Other operating income – costs recharged (note 5) £1,445,631 (5 month period ended 31 August 2018 - £257,470)

Dividends paid in the prior year included in the financial statements (note 13), were payable to the former parent undertaking BH Hippo Limited (formerly Bevie Holdings Limited).

As at 31 August 2019, the financial statements included the following receivables in debtors (note 18):

Amounts owed by group undertakings:

BSGi NZ Limited (New Zealand): £658,603 (5 month period ended 31 August 2018 - £Nil)

This loan was repayable on demand with interest charged at 1.5% over the bank base rate.

BSGi NZ Limited (New Zealand): £1,500,626 (5 month period ended 31 August 2018 - £1,329,514)

These trading balances have no fixed repayment terms.

BSGi NZ Limited (New Zealand) £121,076 (5 month period ended 31 August 2018 - £Nil) owed to BSGi NL Warehouse B.V. These trading balances have no fixed repayment terms.

Included in creditors, amounts falling due in less than one year (note 19):

Amounts owed to related undertakings:

BSGi NZ Limited (New Zealand): £21,137 (5 month period ended 31 August 2018 - £385,173)

These trading balances have no fixed repayment terms.

28. Ultimate parent company and controlling party

The parent undertaking is determined to be Brewers Supply Group International Inc, a company incorporated and registered in Minnesota, United States of America.

The overall controlling party is Rahr Corporation, a company incorporated and registered in Delaware, United States of America.