

# WEST BERKSHIRE BREWERY



**THERE'S SOMETHING EXCITING BREWING.**

**THE WEST BERKSHIRE BREWERY PLC**

**Offer for subscription to raise up to £4 million under the Enterprise Investment Scheme.  
Information Memorandum with Application Form.**

**26 NOVEMBER 2014**

A refreshing opportunity  
to get involved with some  
proper liquid assets.



WEST BERKSHIRE BREWERY



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Accordingly, neither of Grant Thornton or RAM Capital Partners LLP shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in this Information Memorandum or in any future communication in connection with the Offer. All recipients of this Information Memorandum are strongly recommended to take independent professional advice where appropriate.

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# The West Berkshire Brewery PLC

*(Incorporated in the UK with registered number 03667842)*

[www.wbbrew.com](http://www.wbbrew.com)



## **Offer for subscription to raise up to £4,000,000 under the Enterprise Investment Scheme for the Company through the issue of Ordinary Shares of 10p each in the share capital of the Company**

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The Ordinary Shares are unlisted securities. No application is being made for the Ordinary Shares to be admitted to the Official List of the United Kingdom Listing Authority or to the AIM Market of the London Stock Exchange. Further, neither the United Kingdom Listing Authority nor the London Stock Exchange has examined or approved the contents of this Information Memorandum. The Ordinary Shares will not be dealt in on any other investment exchange (whether recognised or otherwise) and no application has been or is being made for the Ordinary Shares to be admitted to trading on any such exchange or market.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, Canada, Japan or South Africa and they may not be offered or sold except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. This Information Memorandum should not be distributed, published, reproduced or otherwise made available in whole or in part (directly or indirectly) in or into the United States of America, Canada, Australia, Japan or South Africa or any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirements, save pursuant to an exemption from the registration or prospectus or other regulatory requirements of any such jurisdiction. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, Japan or South Africa or to or for the account or benefit of any national, resident or citizen of the United States of America, Canada, Australia, Japan or South Africa.

Certain risks to the Company of which the Directors are currently aware are described in Part 3 of this Information Memorandum entitled 'Risk Factors'. If one or more of these risks or uncertainties arises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these uncertainties, Potential New Shareholders should not place undue reliance on forward-looking statements and are advised to read, in particular, Part 3 of this Information Memorandum for a more complete discussion of the risk factors that could affect the Company's future performance and the industry in which the Company operates. The Company undertakes no obligation to update the forward-looking statements or risk factors as set out in this Information Memorandum other than as required by applicable law, whether as a result of new information, future events or otherwise.

Grant Thornton, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as the Company's Financial Adviser in connection with the Offer. No liability whatsoever is accepted by Grant Thornton for the accuracy of any information or opinions contained in this Information Memorandum or for the omission of any material information from this Information Memorandum for which the Company and the Directors are solely responsible. Grant Thornton will not be offering advice and will not otherwise be responsible for providing customer protection to any person other than the Company in relation to the contents of this Information Memorandum.

RAM Capital Partners LLP, which is also authorised and regulated by the Financial Conduct Authority, is acting as Promoter in connection with the Offer and is not acting for anyone else and will not be responsible to anyone other than the Company for providing the protections offered to customers of RAM Capital Partners LLP or for providing advice in respect of the contents of this document or the Offer, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder. No liability is accepted by RAM Capital Partners LLP for the accuracy of any information or opinions contained in or for the omission of any material information from this document for which the Company and the Directors are solely responsible.

## SUMMARY

*The following information is extracted from, and should be read in conjunction with, the full text of this document. Shareholders and Potential New Shareholders should read the whole document and not rely solely on the information in this 'Summary' section or any other information summarised in this document.*

### **The Company**

The West Berkshire Brewery PLC is an independent brewery founded in 1995 by Dave and Helen Maggs situated in Yattendon, Berkshire from where it currently produces a range of eight different beers and cask-conditioned ales including the Company's flagship beer, Good Old Boy, as well as regular speciality beers, all of which are available throughout southern England either on draught or in bottles or both. Currently, the Company's customers include free houses, Enterprise Inns, Waitrose, Fortnum & Mason and Reading Football Club.

The Company's beers and ales, some of which celebrate local characters of Berkshire, have won over 40 awards, seven of which have been won in 2014.

### **Management**

Since March 2013, the Company has been led by its Chairman, David Bruce, who in a 48-year international brewing career has co-founded Bruce's Brewery and the Firkin Pubs as well as several other pub and brewing businesses including The Capital Pub Company PLC. In November 2014, David was joined on the Board by his long-standing business partner Clive Watson and by Simon Robertson-Macleod, both of whom are highly regarded in the brewing industry.

The Board will work closely with the experienced Executive Board and dedicated staff who operate the Company on a day-to-day basis, many of whom own share options.

The Board and the Executive Board are supported by the Company's four Founding Shareholders who together serve on the Founders' Advisory Committee.

### **Recent financial performance**

The Company is profitable and in the financial year ended 31 March 2014 it generated revenues of £1.47 million. The Company has made a strong start to the current financial year generating revenues of £817,131 in the six month period ending 30 September 2014, at which point the Company's net assets were valued at £432,508.

### **Future strategy**

The Company believes that it will outgrow its current site within two to three years and, as a result, plans to construct a new purpose-built, high-specification brewery and install plant and equipment, including bottling, kegging and canning lines, that will allow for a tenfold increase in production. It is also intended that a new shop, visitor centre and café will be built at the new brewery site.

The Company intends to expand its sales team through the appointment of regional representatives and telesales account managers, who will look to increase WBB's sales across all channels. The Directors also intend to promote export sales to new markets such as Eastern Europe, India, China, Japan and North America through the Company's wholly-owned subsidiary, The Royal County of Berkshire Brewery Company Limited.

Subject to the availability of funding and suitable properties becoming available, the Company intends to acquire at least one freehold, drink-led, managed pub in an urban location.

**The Offer**

The Company is seeking to raise up to £4,000,000 through the issue and allotment of new Ordinary Shares.

Applications received on or before 5.00 pm on 23 January 2015 will benefit from the Reduced Offer Price of £2.90 per share and Applications received after 5.00 pm on 23 January 2015 will be allotted at the Offer Price of £3.00 per share.

Further details of the Offer and the subscription procedure are set out in Parts 5 and 6 of this Information Memorandum. An Application Form is included with this document.

**THE ATTENTION OF SHAREHOLDERS AND POTENTIAL NEW SHAREHOLDERS IS DRAWN TO THE RISK FACTORS REFERRED TO IN PART 3 OF THIS INFORMATION MEMORANDUM.**

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## DIRECTORS AND ADVISERS

<b>Directors</b>	Alexander David Michael Bruce, <i>Chairman</i> Clive Royston Watson, <i>ACA</i> Simon Gesto Robertson-Macleod
<b>Founders' Advisory Committee</b>	David Maggs, <i>Life President</i> Helen Maggs, <i>Life President</i> Andrew Ellis Baum Karen Norma Cicely Baum
<b>Financial director and Company secretary</b>	Thomas Lucas, <i>ACCA</i>
<b>Registered office</b>	2 Old Bath Road Newbury Berkshire RG14 IQL
<b>Registered office telephone number</b>	01635 555666
<b>Email address</b>	<a href="mailto:info@wbbrew.com">info@wbbrew.com</a>
<b>Website</b>	<a href="http://www.wbbrew.com">www.wbbrew.com</a>
<b>Facebook</b>	<a href="http://www.facebook.com/westberksbrew">www.facebook.com/westberksbrew</a>
<b>Twitter</b>	@westberksbrew
<b>Financial Adviser</b>	Grant Thornton UK LLP 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
<b>Auditors</b>	Ross Brooke Limited 2 Old Bath Road Newbury Berkshire RG14 IQL
<b>Reporting Accountants</b>	James Cowper LLP 3 Wesley Gate Queens Road Reading Berkshire RG1 4AP
<b>Solicitors to the Company</b>	Shoosmiths LLP Apex Plaza Forbury Road Reading Berkshire RG1 1SH
<b>Promoter</b>	RAM Capital Partners LLP 4 Staple Inn London WC1V 7QH
<b>Registrar and Receiving Agent</b>	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

## DEFINITIONS

The following definitions apply throughout this Information Memorandum, unless the context requires otherwise:

<b>“Act”</b>	the Companies Act 2006 (as amended);
<b>“AIM”</b>	AIM, the market of that name operated by the London Stock Exchange;
<b>“Applicant”</b>	a Potential New Shareholder or a Shareholder who submits an Application Form;
<b>“Application Form”</b>	an application form to be used by Potential New Shareholders or Shareholders to accept the Offer in the form accompanying this Information Memorandum;
<b>“Applications”</b>	applications for Ordinary Shares made pursuant to Application Forms submitted in accordance with the terms of this Information Memorandum;
<b>“Articles”</b>	the articles of association of the Company as at the date of this Information Memorandum;
<b>“Barrel” or “brewer’s barrel”</b>	a quantity of 36 imperial gallons, or 288 pints;
<b>“BFBI”</b>	Brewing, Food & Beverage Industry;
<b>“Board”</b>	the board of Directors;
<b>“Brew Securities Ltd”</b>	Brew Securities Ltd, a company registered in the UK with registered number 13888916;
<b>“CAMRA”</b>	the Campaign for Real Ale;
<b>“Cask”</b>	cask-conditioned beer;
<b>“Closing Date”</b>	30 April 2015, unless extended at the discretion of the Directors;
<b>“Company”</b>	The West Berkshire Brewery PLC, a company registered in the UK with registered number 03667842;
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited;
<b>“Directors”</b>	the directors of the Company from time-to-time being David Bruce, Clive Watson and Simon Robertson-Macleod as at the date of this Information Memorandum;
<b>“EBITDA”</b>	earnings before interest, taxes, depreciation and amortisation;
<b>“Enterprise Investment Scheme” or “EIS”</b>	the Enterprise Investment Scheme, as set out in Part 5 of the Income Tax Act 2007;
<b>“Euro” or “€”</b>	the legal currency of the eurozone;
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom;
<b>“Firkin”</b>	a unit of beer equal to a quarter of a Barrel, or 72 pints. Casks in this size are the most common container for cask-conditioned beer;
<b>“Founding Shareholders”</b>	David Maggs (known as Dave Maggs), Helen Maggs, Andrew Baum and Karen Baum, who together serve on the Founders’ Advisory Committee;

<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“Grant Thornton”</b>	Grant Thornton UK LLP which is authorised by the FCA to carry on investment business, acting as financial adviser to the Company;
<b>“HMRC”</b>	Her Majesty’s Revenue & Customs;
<b>“IGBD”</b>	Institute and Guild of Brewing and Distilling;
<b>“Information Memorandum”</b>	this information memorandum and the attached Application Form;
<b>“ITEPA”</b>	the Income Tax (Earnings and Pensions) Act 2003;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Minimum Subscription Level”</b>	£5,800 for each Applicant subscribing at the Reduced Offer Price and £6,000 for each Applicant subscribing at the Offer Price;
<b>“Offer”</b>	the offer for subscription to raise up to £4,000,000 through the issue of Ordinary Shares with a nominal value of £0.10 each in the Company at the Offer Price and the Reduced Offer Price;
<b>“Offer Price”</b>	£3.00 per Ordinary Share as set out on page 8 of this Information Memorandum;
<b>“Ordinary Shares”</b>	ordinary shares with a nominal value of £0.10 each in the capital of the Company;
<b>“Potential New Shareholders”</b>	persons who are not Shareholders to whom this Information Memorandum is sent with a view to applying for new Ordinary Shares in accordance with the terms of this Information Memorandum;
<b>“QCA Guidelines”</b>	the corporate governance guidelines for AIM quoted companies published by the Quoted Company Alliance in force as at the date of this Information Memorandum;
<b>“Qualifying Company”</b>	a company which is a qualifying company for EIS purposes;
<b>“Reduced Offer Price”</b>	£2.90 per Ordinary Share as set out on Page 8 of this Information Memorandum;
<b>“SALSA”</b>	Safe and Local Supplier Approval;
<b>“Shareholders”</b>	the holders of Ordinary Shares;
<b>“SIBA”</b>	Society of Independent Brewers;
<b>“Sterling” or “£”</b>	the legal currency of the UK;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers as published by the Takeover Panel;
<b>“Takeover Panel”</b>	the Panel on Takeovers and Mergers;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“UK Corporate Governance Code”</b>	the Principles of Good Governance and Code of Best Practice published in September 2014 by the Financial Reporting Council; and
<b>“WBB” or “The West Berkshire Brewery”</b>	the West Berkshire Brewery prior to its incorporation as a limited company in 1998 and the business operated by the Company since then.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Offer opens:	9.00 am on 27 November 2014
Closing date for Applications at the Reduced Offer Price of £2.90	5.00 pm on 23 January 2015
Closing date for Applications at the Offer Price of £3.00	5.00 pm on 2 April 2015 for Ordinary Shares to be allotted in the 2014/15 tax year or 5.00 pm on 30 April 2015 for Ordinary Shares to be allotted in the 2015/16 tax year
Allotments	on or before 5 April 2015 for Applications accepted in respect of the 2014/15 tax year (at the Directors' discretion) and between 7 April 2015 and 30 April 2015 for Applications accepted in respect of the 2015/16 tax year
Share certificates despatched:	10 Business days after allotment

## OFFER SUMMARY

	<b>Offer Price:</b>	<b>Minimum Subscription:</b>
For Applications received before 5.00 pm on 23 January 2015	£2.90	£5,800
For Applications received after 5.00 pm on 23 January 2015	£3.00	£6,000

The Directors reserve the right in their absolute discretion and without recourse to accept Applications which are below the Minimum Subscription Level on a case-specific basis.

## FORWARD-LOOKING STATEMENTS

This Information Memorandum includes statements that are, or may be deemed to be, 'forward-looking statements'. These statements relate to, among other things, analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the Company's future prospects, developments and business strategies.

These forward-looking statements are identified by their use of forward-looking terminology such as 'anticipate', 'believe', 'could', 'estimate', 'expect', 'intend', 'may', 'plan', 'predict', 'project', 'will' or the negative of those variations, or comparable expressions, including references to assumptions, discussions of strategy, plans, aims, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. These statements are included in a number of places in this Information Memorandum and include statements concerning projections of the Company's future results, operating profits and earnings, its financial condition, liquidity, prospects, growth strategies and the industry in which the Company operates. They are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual results of operations, financial condition and liquidity, and the development of the Company's business and the business sector in which the Company operates, may differ materially from those suggested by the forward-looking statements contained in this Information Memorandum. In addition, even if the Company's results of operations, financial condition, and the development of the Company's business and the business sector in which the Company operates, are consistent with the forward-looking statements contained in this Information Memorandum, those results or developments may not be indicative of results or developments in subsequent periods.

## PART 1

### LETTER FROM THE CHAIRMAN



## The West Berkshire Brewery PLC

*(Incorporated in the UK with registered number 03667842)*

*Directors:*

David Bruce  
Clive Watson  
Simon Robertson-Macleod

The Flour Barn  
Frilsham Home Farm  
Yattendon  
Berkshire  
RG18 0XT

26 November 2014

Dear Shareholders and Potential New Shareholders,

In March 2013, I was invited by the four Founding Shareholders to become Chairman of the Company and to help them formulate a future strategy to achieve high levels of growth for each area of the business. Since then, I have worked closely with the Founding Shareholders and the Company's executive team to develop such a strategy and to establish a longer term plan for the business.

Associated with this exercise, one of my first objectives was to enable the Founding Shareholders to realise some of their capital interest in the Company. This resulted in the sale by them of some of their shares in the Company at the beginning of 2014, achieving sale proceeds of £1.23 million. The Founding Shareholders wanted to retain a significant stake in the business that they had created and each Founding Shareholder still owns just under 10 per cent. of the issued share capital.

Apart from the dedicated team I have inherited, I believe that the strongest part of our heritage is our portfolio of award-winning beers which continue to receive the highest accolades, especially our best-selling brand, Good Old Boy. In order to enable our wonderful range of products to achieve their full potential, we have overhauled the Company's sales and marketing operations. The results of this can already be seen in the sustained growth of both Cask and bottled beer sales, especially since our recent re-branding exercise and increased use of social media.

Given the Company's plans for continuing growth, I am delighted to announce the appointments to the Board of Clive Watson and Simon Robertson-Macleod, both of whom are highly regarded in the brewing industry. I believe that the Company now has an outstanding board of directors with the right track record to drive the business forward. I am also pleased to say that all the Founding Shareholders will continue to use their unique experience to contribute to the Company's future as members of the Founders' Advisory Committee.

Based on our current growth rate and forecasted levels of demand, sales are expected to absorb our existing production and storage capacity within the next two to three years. Accordingly, the Board now wishes to raise up to £4 million by the issue of up to 1,379,310 new Ordinary Shares which will benefit from the favourable tax treatment available under the Enterprise Investment Scheme, in order to help finance the next stage of the Company's development. The Board intends to use the funds raised to:

- build a brand new high-specification brewery with bottling, kegging and canning lines together with a visitor centre, shop and café;
- acquire a freehold, drink-led, managed pub in an urban location in which to promote all of our brands; and
- provide working capital in order to further strengthen our sales and marketing teams as we enlarge our distribution area and expand into new export markets.

There are a number of significant tax benefits for those investing through the Enterprise Investment Scheme and further details of these are set out in this Information Memorandum.

Whether you are a Shareholder or a Potential New Shareholder, I do hope that you will seize this opportunity to invest in the Company by subscribing for new Ordinary Shares under the Enterprise Investment Scheme and help us to realise the true potential of The West Berkshire Brewery.

With best wishes,

A handwritten signature in black ink, appearing to read 'David Bruce', with a horizontal line underneath it.

**David Bruce**  
*Chairman*

## PART 2

### INFORMATION ON THE COMPANY

#### **Introduction**

The West Berkshire Brewery is an award-winning, independent brewery founded in 1995. The business has been built up carefully and funded without any form of debt by its founders, employing 13 people and achieving sales of £1.47 million in the financial year ended 31 March 2014.

The transformation of the Company began in March 2013, when David Bruce accepted an invitation from the Founding Shareholders to join the Board as Chairman and to contribute to the Company's future growth. In a 48-year international brewing and licensed retailing career, David has co-founded Bruce's Brewery and the Firkin Pubs as well as several other pub and brewing businesses from Paris to Seattle via New York and Denver. In the UK, David has helped raise in excess of £66 million under the Enterprise Investment Scheme for several pub and farm shop companies.

David was asked to help the Founding Shareholders formulate a strategy both for growing the Company and for them as Shareholders. Since joining the Board, David has initiated and led a strategic review, as a result of which the Founding Shareholders decided to realise some of their capital interest in the Company while still retaining a significant stake. This culminated in a successful fundraising for the Founding Shareholders who now hold approximately 38 per cent. of the Company's issued share capital.

In developing a long-term growth strategy for the Company, David has worked closely with the Board and the Company's executive team to identify the strengths and weaknesses of the business and to develop a business plan which would build upon the Company's achievements to date, in particular its award-winning range of craft ales. David identified the need to strengthen the management of the business and, in particular, to develop a more focussed sales and marketing culture. As a result of the changes introduced, like-for-like beer sales increased by 20 per cent. between the financial years ended 31 March 2013 and 31 March 2014 and have risen a further 17 per cent. in the six month period from 30 April 2014 to 30 September 2014. At the current rate of growth, the Directors anticipate that the brewery will reach its production and storage capacity within the next two to three years.

Recognising the need for a board with more experience of larger brewing and pub operations, on 24 November 2014 the Founding Shareholders stepped down as Directors of the Company to make way for the appointment of Clive Watson and Simon Robertson-Macleod. The Founding Shareholders have agreed to serve on the new Founders' Advisory Committee, details of which are set out below.

On 24 November 2014, Clive Watson joined the Company as a Director. David and Clive have worked together previously and have raised just under £60 million under the Enterprise Investment Scheme since 2000 for four pub companies, including The Capital Pub Company PLC which was sold in July 2011 to Greene King for an enterprise value of £93 million. At the same time, David also welcomed as a Director Simon Robertson-Macleod who has been involved in the Drinks Industry for over 40 years including senior positions with Scottish & Newcastle Breweries PLC and Fuller, Smith & Turner PLC (Fuller's). Whilst National Account Controller at Fuller's, Simon oversaw a circa 400 per cent. increase in the sales of cask London Pride.

The Board will be supported by the Founders' Advisory Committee through which the Company's founders and Life Presidents, Dave and Helen Maggs, together with founding shareholders Andrew and Karen Baum, will provide the Board with advice relevant to maintaining the Company's culture and heritage and other aspects of the Company's business.

With its new Board and a strong executive team in place, the Company is seeking to fund the next phase of its growth through a placing of shares to raise up to £4 million under the Enterprise Investment Scheme. The Board intends that the funds raised will be used to build a new brewery with bottling, kegging and canning lines together with a visitor centre, shop and café and to provide the working capital necessary to further strengthen the Company's sales and marketing teams. The Company also intends to acquire a freehold, drink-led, managed pub in an urban location that will

be used to promote the Company's beers and ales that have won over 40 awards, seven of which have been won in 2014.

Further details of the Offer are set out in Part 5 of this Information Memorandum.

## **Information on the business**

### *Background*

Dave and Helen Maggs started the West Berkshire Brewery in the summer of 1995 with a five-barrel plant in a converted building behind The Pot Kiln pub in Frilsham, Berkshire, less than two miles from its current Yattendon site. WBB's second brew, Good Old Boy, quickly won the first of its many awards – Overall Winner in the Beer of the Festival category at the CAMRA White Horse Branch Beer Festival in 1995.

In 1998, the Company was incorporated and the following year Andrew and Karen Baum joined Dave and Helen Maggs as Directors of the Company and provided additional capital to build a larger brewery in Yattendon. This second brewery was completed in 2000 and the Company operated from the two sites until 2006 when capacity at the Yattendon site was further increased to 80 barrels per week with the introduction of new plant and equipment.

As the Company continued to expand and its capacity requirements were increased to accommodate the growing consumer demand, planning permission was applied for in order to construct a larger brewery on a new site. Building work was completed in October 2011, and by February 2012 the Company had relocated to The Flour Barn, a high-specification production facility just outside Yattendon, which is the current home of the Company.

The Company now brews approximately 120 barrels per week and continuing growth means that the time is approaching when it will be brewing at full capacity. Management will use the proceeds of this fundraising to finance the expansion of production and storage capacity.

In 2005, a shop was established adjacent to the brewery, enabling local customers to purchase the Company's products directly on site and creating an additional route to market. For the financial year ended 31 March 2014, the shop and on-line retail sales accounted for 14 per cent. of the Company's turnover.

Also in 2005, the Company entered into a lease in respect of The Rising Sun in the village of Stockcross near Newbury. The Rising Sun won the CAMRA West Berkshire Branch Pub of the Year award in 2007, but, following a review of the pub's profitability, the Company closed the pub in February 2014 and undertook a review of the best way forward which resulted in a decision to assign the lease.

The Company currently has a staff of 13 people in addition to the Directors and the Founders' Advisory Committee. In the financial year ended 31 March 2014 it generated revenues of £1.47 million. The Company has made a strong start to the current financial year generating revenues of £817,131 in the six month period ending 30 September 2014.

### *Funding and ownership*

The Company has always been self-funded and has never taken on any debt. In March 2013 David Bruce paid £100,000 for approximately 6.7 per cent. of the Company's issued share capital and in April 2013 Jos Short, an experienced investor, paid £250,000 for approximately 16.7 per cent. of the Company's issued share capital through his pension fund. In April 2014, the Company completed a successful fundraising which realised a further £880,000 for the Founding Shareholders by placing Ordinary Shares with investors including David Bruce who invested a further £50,000 and currently holds 10.2 per cent. of the Company's issued share capital. The Company now has 276 Shareholders who own approximately 62 per cent. of the Company, with the balance continuing to be owned by the Founding Shareholders.

### *Product range*

The Company currently produces a core range of eight different bottled beers and cask-conditioned ales, as well as monthly and seasonal speciality beers, all of which are available to buy throughout southern England. Currently, the Company's customers include high-quality free houses across the country, including a listing of two beers with Enterprise Inns and further sales with Waitrose, Majestic Wines and Fortnum & Mason.

The Company's beers and ales, some of which celebrate local characters, have won over 40 awards including Champion Strong Beer of Britain, and, most recently this year, the International Beer Challenge Awards and two Great Taste Awards.

The range currently consists of the following ales, the majority of which are available on draught and in bottles:

## GOOD OLD BOY

BEST BITTER



A multi-award winning classic bitter, Good Old Boy is brewed with a blend of rich Maris Otter malted barley and fruity Bramling Cross and Northdown hops to produce an exceptionally well-balanced and full-flavoured beer.

**SEE:** Tawny **SMELL:** Roasted, Fruity, Hoppy

**BITTER:** +++ **SWEET:** +++

**TASTE:** Chocolate, Coffee, Smooth

Available in Cask and 500ml Bottle EBC Colour 47

## MISTER CHUBB'S

Lunchtime Bitter



This beautifully balanced session ale has a refreshing light floral flavour provided by a single variety of English hops. Mr Chubb was the nickname given to the father of one of the founders, a former lock-keeper on the River Thames.

**SEE:** Pale Copper **SMELL:** Floral, Spicy, Malty

**BITTER:** +++ **SWEET:** +++

**TASTE:** Malty, Fruity, Balanced

Available in Cask and 500ml Bottle EBC Colour 27

## Dr Hexter's HEALER

STRONG BITTER



Full-bodied and highly hopped, this robust ale is packed with rich flavours and marmalade zestiness. Winner of the highly-acclaimed *Champion Strong Beer of Britain* award. It was first brewed for the eponymous Paul Hexter.

**SEE:** Amber **SMELL:** Toffee, Hoppy

**BITTER:** +++ **SWEET:** +++-

**TASTE:** Marmalade, Rich, Full-Bodied

Available in Cask and 500ml Bottle EBC Colour 30

## Mister Swift's

PALE ALE



Mister Swift's Pale Ale is a light, fragrantly hoppy and extremely drinkable bitter. The hops in this brew are a classic mix of Fuggles and Goldings over a pale malt base, creating a uniquely refreshing session ale.

**SEE:** Deep Gold **SMELL:** Pineapple, Fruity, Citrus

**BITTER:** +- **SWEET:** +++

**TASTE:** Crisp, Lemon, Refreshing

Available in Cask and 500ml Bottle EBC Colour 7

APPROXIMATE BEER COLOUR CHART



## MAGGS' MAGNIFICENT MILD



ABV  
3.8%

A traditional-style, deliciously dark mild. Full of roast malt flavours coupled with a smooth-mouth feel and gentle sweetness.

**SEE:** Black      **SMELL:** Roast, Caramel, Mature fruit

**BITTER:** +++      **SWEET:** +++-

**TASTE:** Smooth, Mellow, Malt

Available in Cask and 500ml Bottle      EBC Colour 124

## TAMESIS EXTRA STOUT



ABV  
4.9%

This satisfyingly rich stout has been traditionally brewed with dark malts, roasted barley and oats to give a thick, smooth body and a rich chocolate flavour.

**SEE:** Black      **SMELL:** Liquorice, Roasted, Malty

**BITTER:** +++      **SWEET:** ++

**TASTE:** Roast, Smooth, Chocolate

Available in 500ml Bottle      EBC Colour 124

## MAHARAJA IPA



ABV  
5.9%

Brewed strong and hoppy, Maharaja is a stunning example of an IPA. Masses of English hops and three different malts produce a complex flavour and strong citrus aroma. Smooth, deep golden and beautifully balanced with a crisp dry finish.

**SEE:** Golden      **SMELL:** Hoppy, Fruity, Malty

**BITTER:** ++++      **SWEET:** ++

**TASTE:** Citrusy, Floral, Refreshing

Available in 500ml Bottle      EBC Colour 15

## Saazbrucker PILSNER



ABV  
4.9%

A continental Pilsner inspired by traditional Bavarian and Bohemian lagers. English malts are combined with two classic noble hops, Saaz and Hersbrucker, to give a delicious grassy aroma, a refreshingly crisp finish and the name – Saazbrucker.

**SEE:** Hay      **SMELL:** Woody, Hoppy, Grass

**BITTER:** ++      **SWEET:** ++

**TASTE:** Dry, Crisp, Light

Available in 330ml Bottle      EBC Colour 7

### APPROXIMATE BEER COLOUR CHART

EBC 4 8 12 16 20 24 28 31 35 39 41 47 51 55 61 63 67 71 75 79 124

Please note that the descriptions of the beers as set out above are promotional descriptions as currently used by the Company.

In addition to the core range, the Company produces seasonal beers (including the award-winning Full Circle) and occasional speciality beers such as IPAnema, launched in June 2014 to mark the 2014 FIFA World Cup, and Tommy Atkins Traditional Ale, which was introduced in August 2014 to commemorate the centenary of the start of World War I.

Ancillary to brewing, the Company offers brewery tours, the “Good Old Boys’ Club” membership initiative and a range of clothing and beer merchandise, all sold through its shop and online. Brewery tours are held regularly and enable visitors to see and understand in detail how the Company’s beers are brewed, starting with the raw ingredients and ending with a glass of the finished product.

#### *The Company’s production methods*

The Company only uses traditional brewing techniques and prides itself on using British raw materials wherever possible. The Company is proud to support English hop growers as it believes English hops and barley give the best balance and flavour to traditional beers, although the Company’s highly-acclaimed Saazbrucker Pilsner uses traditional German and Czech lager hops.

The management respects the Company’s rural location and seeks to operate in a sustainable manner. Apart from sourcing its ingredients from as near to the brewery as possible, spent grains are taken by a local farmer to feed his cattle and pigs. The Company has installed a reed bed drainage system to filter the brewing effluent and return it to the ground as clean water. The area around the reed bed has been seeded with chalk downland grasses and wild flowers, to attract insects and wildlife and to support threatened species. The Company intends, where feasible, to follow the same policies in any future location.

#### *Customers*

The Company’s highly-valued core customers for its draught beers are local free houses and it works closely with them to support their trade and England’s pub heritage. The Directors and Founding Shareholders believe that this approach enhances the Company’s reputation and brand whilst also contributing to Berkshire’s economy and the preservation of the institution that is the Great British Pub. The Company’s longest-standing customers include the multi-award-winning Bell at Aldworth, which has won the CAMRA Local and Regional Pub of the Year award many times and has been named National Pub of the Year. WBB also supplies two draught beers to Enterprise Inns for their pubs across the south of England, with delivery to their distribution hub just a few miles from the brewery.

The Company’s bottled beers are currently available in Majestic Wines and local branches of Waitrose. WBB prides itself on the fact that it brews Fortnum and Mason’s ‘own brand’ beers and in addition to this bespoke ‘own brand’, bottled beers have been brewed exclusively for Laithwaite’s, Notcutts and more recently the Country Food and Dining Group of which David Bruce is Chairman. Local farm shops, restaurants and bars without cellar facilities also purchase the Company’s bottled beers.

The move to its current location has enabled WBB to establish a larger shop offering a greater range of products and merchandise to its customers. The resulting increase in shop turnover has been complemented by flourishing online sales through the Company’s website, extending the market for the Company’s goods. For the year ended 31 March 2014, retail sales via the shop and online accounted for 14 per cent. of the Company’s turnover. Like-for-like shop sales in the six months to September 2014 grew by 18 per cent. and online sales, having been introduced late in 2013, are also showing strong growth.

#### *Sales and marketing*

From inception until 2013, the Company followed an ad hoc approach to sales and marketing, with a small but enthusiastic sales team liaising with mainly local contacts. WBB achieved sales of over £1.4 million in the financial year ended 31 March 2014, a testament, the Directors believe, to the quality and reputation of WBB’s products.

Since David Bruce joined the Board, the Company's immediate objective became to improve sales through carefully targeted marketing and public relations and by developing the Company's sales force through the appointment of additional personnel. In this way, the aim was, and still is, to generate sufficient additional business to absorb the current capacity of the brewery as soon as possible.

The Company's sales team now comprises a sales director, two additional dedicated sales staff and three additional sales consultants focussing on off-trade, wholesale and on-trade, including Enterprise Inns. As a result, like-for-like sales of bottled beers have increased by 38 per cent. from March to September 2014 and sales of cask ales have increased by 13 per cent. during the same period.

WBB has also been selling its products at pop-up bars, local beer festivals and events such as the 2014 Henley Royal Regatta where its Good Old Boy beer was served in the Stewards' Enclosure. WBB's beers have also made popular appearances at the Madejski Stadium for several Reading Football Club ("**RFC**") home games. Following these successful appearances a contract with RFC Ltd was agreed on 21 November 2014. Under the terms of this contract, RFC will grant WBB the title of "Official Ale" (non-exclusive) of RFC, which includes the use, subject to approval, of the RFC logo and the right to sell ale outside the Madejski Stadium and in hospitality areas. The Company will also have a branded kiosk and site space at the Madjeski Stadium and the Company's name and logo will feature prominently on much of RFC's marketing material.

Also, in November 2014, WBB was offered a guest listing with Wadworth Brewery whereby Wadworth has agreed to take on two of the Company's beers, Good Old Boy and Mister Chubb's, as guest beers in all Wadworth pubs during the month of January 2015. Wadworth pubs are predominately located in Wiltshire, Berkshire and Oxfordshire.

The Company's customer database now exceeds 3,300 members, an increase from 400 in June 2013, who have signed up to receive the Company's monthly e-newsletter "Ale Mail", enabling the Company to publicise events, new beers and other offers. The "Good Old Boys' Club", launched in September 2013, now has 166 members who have committed to an annual subscription in return for a range of benefits including discounts in the shop and online, special members'-only evenings to launch new beers, competitions and other activities.

#### *Current trading and prospects*

In the half year ended 30 September 2014, the Company made sales of £817,131, an increase of 19.3 per cent. on the comparative period in 2013, something the Directors partly attribute to the Company's expanded sales team.

With increasing sales, particularly of bottled beer to supermarkets, the contract with Reading Football Club and the first sale of Good Old Boy and Mister Swift's Pale Ale to Casa Group, a bar operator and wholesaler in Hong Kong, the Directors look to the future with confidence, both for the Company's UK sales and for export sales via the Company's subsidiary, The Royal County of Berkshire Brewery Company Limited.

Should proposed changes to the law relating to tied pubs come into effect, the Directors believe that additional opportunities will be created for the Company.

#### **Future strategy**

The Company intends to build upon its good reputation and execute its current business plan by taking advantage of several exciting new opportunities in what it believes is a substantial and growing market for craft-brewed products.

### *Production*

The Company believes that it will outgrow its current site within two to three years. As a result, WBB plans to construct a purpose-built, high-specification brewery and install plant and equipment that will allow for a tenfold increase in production. The Company intends to build a new visitor centre adjacent to the new brewery including a larger shop together with a café. The Company's ambition is to increase sales and customer participation and for the new brewery to become a destination for beer lovers and their families, whilst helping to preserve the Company's heritage and brands. The Company is looking at several suitable sites in West Berkshire upon which to build the new brewery. Assuming that a site can be acquired following the successful completion of this fundraising, and subject to planning permission, WBB's executive team would like construction work to commence as soon as practicable.

The planned new bottling facilities at the new brewery will not only mean a reduction in bottling costs, but will also provide an additional revenue stream as the Company intends to provide out-sourced bottling services to other brewers.

### *Sales and exports*

WBB plans to maintain its core product range and augment it periodically with new seasonal ales. It will also focus on increasing its sales of cask and bottled beer to trade, retail and online customers. In order to achieve this, the Company intends to expand its sales team through the appointment of regional representatives and telesales account managers, who will look to increase WBB's dealings with multiple retailers such as Waitrose and other supermarkets and to use this to enhance its profile and to help other new marketing initiatives.

Following the recent first sale to Casa Group of Hong Kong, the Directors intend to promote additional export sales through the Company's wholly-owned subsidiary, The Royal County of Berkshire Brewery Company Limited. Preliminary visits have already been made to Eastern Europe and other target markets include India, China, Japan and North America.

### *Freehold managed pubs*

Subject to the availability of funding and suitable properties becoming available, the Company intends to acquire at least one freehold, drink-led, managed pub in an urban location. The Directors are considering several appropriate pubs in Berkshire and will aim to progress the purchase of a managed pub following the completion of this fundraising.

### **Competition**

Within the wider brewing industry, the Company faces competition from equally long-established businesses such as Rebellion Brewery in Buckinghamshire, Dark Star Brewery in Sussex and Black Sheep Brewery in Yorkshire. Furthermore, although Sharp's Brewery in Cornwall, which brews Doom Bar, and Wychwood Brewery in Oxfordshire, which brews Hobgoblin, have been acquired by much larger companies, both of these breweries were developed utilising similar business models to the Company and predominantly sell their beers to various pub chains both locally and nationally, as well as online and through selected retail outlets.

There are now in excess of 1,000 breweries in the UK, many of which have a focus on the production of craft ales. Indeed, approximately 170 microbreweries have been established within the last year and over 70 of these are located in London and the South East. These new microbreweries will provide a new source of competition for longer-established breweries such as the Company.

This trend has helped to raise the profile of real ale and small breweries in general. David Bruce and Dave Maggs, along with the founders of other similarly well-established small breweries, share the view that the number of these micro-breweries will eventually reach saturation point. Additionally, the Directors believe that, due to their heritage and loyal customer base, the longer-established

breweries such as the Company are well placed to stay the course, maintain and expand their market share and gain further trade as, inevitably, some of the less successful start-ups fail.

### **Corporate governance**

While the Company is an unlisted public limited company with no immediate plans to seek a public listing, the Directors recognise the importance of sound corporate governance and intend that the Company should comply with the main provisions of the UK Corporate Governance Code and the QCA Guidelines, insofar as they are appropriate given the Company's size and stage of development.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Directors hold board meetings monthly and at other times as and when required. The Company has also implemented procedures to evaluate any potential related party transactions, which must be approved by a committee of Directors who are independent from the transactions.

In 2013, the Company established properly constituted committees of the Board with formally delegated duties and responsibilities. The committees are audit, remuneration and nomination.

However, in light of the current size of the Board and its composition of exclusively non-executive Directors, the functions of these committees are currently being undertaken by the Board. The Directors intend to reconstitute these committees at an appropriate time after the appointment of a Chief Executive Officer.

### **Directors and management**

#### **Main Board:**

#### **David Bruce (aged 66) – Chairman**

David's forty-eight year entrepreneurial career in the international brewing industry and licensed trade started in 1966 when he joined Courage, Barclay & Simonds in Reading, Berkshire, as a brewery management trainee. Having learnt to brew, he became the Brewer and Sales Manager at Theakston's Brewery in Yorkshire before co-founding not only Bruce's Brewery and the Firkin Pubs in 1979 but also the Small Independent Brewers Association (SIBA) in 1980.

Having sold Bruce's Brewery and the Firkin Pubs for £6.6 million before the age of forty, David became a co-founder and investor in a number of start-up breweries in Paris, Brooklyn, Denver and Seattle before returning to the UK to develop his pub interests.

In 1993, David became the largest private shareholder in Grosvenor Inns PLC and, as Development and Marketing Director, was responsible for rolling out The Slug & Lettuce chain of branded bars. In December 2000, David co-founded with Clive Watson (and became Chief Executive of) The Capital Pub Company PLC, which raised over £15 million under the Enterprise Investment Scheme, was floated on AIM in 2007 and was sold in July 2011 to Greene King for an enterprise value of £93 million. This provided the original Enterprise Investment Scheme investors with a threefold return on their net of tax investment.

In November 2006, David became a founding investor in the Enterprise Investment Scheme-funded Country Food & Dining group of companies of which he is Chairman. To date, this group of companies has raised over £7.5 million which has been invested in eight farm shops, providing primarily locally-sourced produce and food and drink retailing through on-site cafés.

In October 2011, again with Clive Watson, David co-founded and became Chairman of The City Pub Company (East) PLC and The City Pub Company (West) PLC which have, between them, raised £28 million under the Enterprise Investment Scheme, and currently own seventeen free houses, including three microbreweries, between Bath and Norwich via London and Brighton.

In 1994 David received the highest award from The Publican for “Outstanding Services to the Industry”. In 1996 Grosvenor Inns PLC was voted “The UK’s Best Independent Operator” by The Publican.

David and his beneficiaries own 10.2 per cent. of the Company.

#### **Clive Watson (aged 53) – Non-Executive Director**

Clive qualified as a chartered accountant with Price Waterhouse in London in 1986, then joined the investment bank, Manufacturers Hanover Limited, where he spent three years.

In December 2000, Clive co-founded The Capital Pub Company PLC with David Bruce. He was its finance director until June 2007, managing director until June 2008, and thereafter chief executive. In June 2007, The Capital Pub Company PLC was admitted to trading on AIM. Clive helped to develop The Capital Pub Company PLC from a start-up to operating 35 pubs all trading in the Greater London area. In 2010 The Capital Pub Company PLC was awarded “Best Managed Pub Company of the Year” (20 to 99 pubs) at The Publican Awards. In July 2011, Clive negotiated the sale of the company to Greene King for an enterprise value of £93 million, providing the original Enterprise Investment Scheme investors a threefold return on their net of tax investment.

In October 2011, Clive co-founded with David Bruce and became Group Chief Executive of The City Pub Company (East) PLC and The City Pub Company (West) PLC.

#### **Simon Robertson-Macleod (aged 61) – Non-Executive Director**

Simon has been involved in the drinks industry for over forty years. Having worked for Martell in Cognac and Deinhard in Koblenz, he joined Scottish & Newcastle Breweries in November 1973 and stayed with them for twenty-two years, his last role being Director of Major Accounts for William Younger & Company. He joined Fuller’s in October 1995 as National Accounts Controller (Brewers and Multiple Pub Groups) and retired in 2013 having overseen a growth of 400 per cent. in sales of cask London Pride. Simon is also a non-executive director of Ossett Brewery in Yorkshire.

#### **Chief Executive Officer**

The Company intends to appoint a Chief Executive Officer as soon as practicable in order to further strengthen its executive team and the process of recruiting a Chief Executive Officer has now commenced.

#### **Founders’ Advisory Committee:**

In order to provide continuity with respect to the Company’s culture and values, the Founders’ Advisory Committee has been constituted to meet quarterly with the Chairman and provide ongoing advice to the Board.

#### **Dave Maggs (aged 61) – Life President**

Dave (with his wife Helen) established The West Berkshire Brewery in 1995. Dave was a Director of the Company from its incorporation in 1998 until November 2014, and currently owns 9.6 per cent. of the Company.

Prior to establishing the brewery in 1995, Dave trained and practised as a builder, specialising in traditional roofing and pointing work on historical buildings. Dave had been a keen amateur brewer producing ales at home and received his first advice on commercial brewing from Jeff Horne, then brewer at the Tally Ho pub-brewery in Hatherleigh, North Devon, before becoming an award-winning brewer himself.

#### **Helen Maggs (aged 60) – Life President**

Helen focussed on developing the business’s office and IT systems and also led the Company’s branding and design projects. Like Dave, Helen was a Director of the Company from its incorporation in 1998 until November 2014 and owns 9.6 per cent. of the company.

Helen has been instrumental in building the business. She supported Dave in his decision to sell the family home to fund the construction of their first brewery at Frilsham. While Dave was developing his skills as a brewer, Helen enrolled on a business course at North Devon College in Barnstaple and subsequently took responsibility, along with Karen Baum, for installing the computer systems and running the office, all whilst bringing up three boys and helping with the brewing, cask-washing and deliveries. Helen also underwent initial training with Total Brewing International and became a skilled brewer, often taking on brewing responsibility when Dave was busy delivering beer.

#### **Andrew Baum (aged 61)**

With his wife Karen, Professor Andrew Baum invested in the Company in 1999 and was a Director of the Company from that year until he joined the Founders' Advisory Committee in November 2014.

Andrew has combined business and academic life for the last 25 years. He has spent the majority of this time working with institutional real estate investors in developing global property investment strategies. He is chairman of Property Funds Research, a real estate consulting and research business; chairman of the investment committee for CBRE Global Investment Partners; a consulting partner with Internos Real Investors and chairman of Newcore Capital Management.

Andrew is Visiting Professor at the Saïd Business School, Oxford, where he teaches the MBA real estate elective, and an Adjunct Professor at the Kenan-Flagler Business School, University of North Carolina. Until September 2014, Andrew held the position of Honorary Professor of Real Estate Investment at the University of Cambridge where he was a fellow of St John's College. He is also a Fellow of the Royal Institution of Chartered Surveyors and a member of the CFA Institute (UK ASIP) and the author and co-author of several textbooks. Andrew owns 9.6 per cent. of the Company.

#### **Karen Baum (aged 61)**

Karen has a degree in marketing from Oxford Brookes University and was a Director of the Company since first investing in the business in 1999 until November 2014. Karen owns 9.6 per cent. of the Company.

After a career in retail product management and design with Hallmark Cards, and following a break to be home and family-based, Karen originally worked in the Company's office to assist Helen in setting up the first IT systems and office procedures. Karen then set about cold-calling prospective customers to build up sales and continued to take responsibility for client care, sales and marketing until recently when she stepped back from day-to-day involvement, remaining a non-executive director until she joined the Founders' Advisory Committee in November 2014.

#### **Executive Board:**

An Executive Board, chaired by David Bruce, meets fortnightly and currently comprises the Chairman and the following four executives who operate the Company on a day-to-day basis:

- **Will Twomey (aged 30) – Head Brewer**

Will joined the Company in 2006 and has been Head Brewer since 2011. Having gained his General Certificate in Brewing, he is now working towards his diploma. Will has created many of the Company's beers, including Mister Swift's Pale Ale, Saazbrucker Pilsner, Tamesis Extra Stout and Maharajah's IPA.

Will is passionate about producing consistently excellent beers and innovating with different styles and ingredients.

- **Thomas Lucas (aged 34) – Financial director and company secretary**

Tom is an ACCA qualified accountant. He joined WBB in 2008 and has a thorough understanding of all aspects of the business, having played an important role in the Company's development over the last two years.

- **James Tomlinson (aged 39) – Sales director**

James joined the Company in 2011 and is responsible both for growing sales and for ensuring committed customer service. James has a background in licensed retail having previously managed his own pub, which the Directors believe gives him a great perspective on the pub and beer industry and an understanding of the needs of WBB's growing customer base.

- **Vicky Mills (aged 39) – Marketing director**

Vicky joined the team in the summer of 2013. With many years' experience in marketing and intellectual property development, she is now focussing on increasing brand awareness and customer loyalty. Having created the Good Old Boys' Club and introduced the Company's monthly e-newsletter 'Ale Mail', Vicky will continue to focus on promoting awareness of the Company and its products.

To facilitate management incentivisation and to allow all key employees to participate in the ownership of the Company through an employee share option plan, the members of the Executive Board all participate in the Company's Enterprise Management Incentive Scheme. Details of this scheme are set out in paragraph 13 of part 8 of this document.

## PART 3

### RISK FACTORS

The Directors consider that the risks and other factors described below are the most significant with respect to the Company and its business. It should be noted that the risks described below are not the only risks faced by the Company; there may be additional risks that the Directors currently consider not to be material or of which they are currently unaware.

The Directors believe that the following specific risk factors should be considered carefully in evaluating whether to make any investment in the Company. An investment in the Company may not be suitable for all of the recipients of this Information Memorandum. If you are in any doubt about the action you should take, you should consult a person authorised under FSMA if you are resident in the United Kingdom or, if you are not resident in the United Kingdom, an authorised independent adviser who specialises in advising on the acquisition of shares and other securities.

The risks set out below are not presented in any assumed order of priority. An Applicant ought not to infer any relative importance in relation to the risk factors by reference to the order in which they appear.

The information below does not therefore purport to be an exhaustive list or summary of the risks affecting the Company. Applicants should consider carefully whether an investment in the Company is suitable for them, in the light of the matters referred to in this Information Memorandum, their personal circumstances and the financial resources available to them.

**If any of these risks actually occur, the Company's business, financial condition, results or future operations could be materially adversely affected. In any such case, the value of its Ordinary Shares could decline and Shareholders may lose all or part of their investment.**

#### **Risks associated with investing in unquoted securities**

An investment in the Company is speculative and should only be undertaken by Applicants capable of evaluating the potential risks and merits of such an investment and who have sufficient resources to bear any loss that might result from such an investment.

The Articles are summarised in paragraph 6 of Part 8 of this Information Memorandum. Applicants should review these carefully to ensure they are familiar with the rights and restrictions pertaining to the Ordinary Shares.

The Company is an unlisted public limited company. There are no plans to seek a public quotation on any recognised investment exchange or other market for the Ordinary Shares in the foreseeable future. Although the Company is now subject to the Takeover Code, it is not subject to the same disclosure obligations, nor is it subject to the same level of public scrutiny, as a quoted company. Accordingly Shareholders will have neither the same rights nor protections available to shareholders in publicly-quoted companies.

The value of the Ordinary Shares may go down as well as up and Shareholders may not recover the amount invested. As there is no recognised market for the Ordinary Shares, it may be difficult for Shareholders to sell their shares at what they consider to be a reasonable price and in some circumstances it may be difficult to sell them at any price or otherwise realise their investment. In addition, it may be difficult to obtain reliable information about the value of their shares or the extent of the risks to which they are exposed. In the worst case scenario, the Company may not be successful and Shareholders could lose all of the money that they have invested. Applicants should therefore not invest in the Company unless they have carefully considered whether they can afford the total loss of their investment and whether such an investment is right for them.

## **Risks associated with the Company's operations and business**

The Directors expect the Company's business plan to evolve as the Company develops and there is therefore no guarantee that the development of the business will proceed as envisaged in this Information Memorandum.

### *Competition risks*

The Company sells its beer in competition with many other local companies and in competition with larger regional and national brewers. The levels of sales and prices may be adversely affected by competition from other brewers located in the UK or in overseas markets.

### *Risks relating to the market for beer*

The demand for beer is dependent on a number of factors including overall economic conditions, taste and fashion, levels of taxation and duty and licensing laws. It is possible that economic and political factors may decrease the disposable income that customers have available to spend or may adversely affect customers' confidence and willingness to spend. This could affect the performance of the Company's client pubs and retail outlets and thereby affect demand for the Company's products.

### *Risks relating to suppliers*

The Company is reliant on positive and continuing relationships with its suppliers. Termination of any supply agreements, variations in their terms or the failure of a key supplier to comply with its obligations under these agreements (including if a key supplier were to become insolvent) could have an adverse effect on the Company.

### *Risks relating to raw materials and ingredients*

The Company sources as many of its ingredients as possible from within the United Kingdom. Forward contracts have been negotiated for both malt and hops to guarantee supply and price long term. However, severe adverse weather conditions or other issues could still affect the supply and cost of ingredients, thereby adversely affecting the price or quality of the Company's products.

An increase in the cost of raw materials or energy could affect the Company's profitability. Commodity price changes or supply shortages may result in unexpected increases in the cost of raw materials, glass bottles and other packaging materials used by the Company. In addition, energy cost increases could result in higher transportation and other operating costs. The Company may not be able to increase its prices to offset these increased costs without suffering reduced sales and operating profits.

### *Reputational risks*

The future success of the Company depends on its ability to maintain and enhance the image and reputation of its brand and of its existing and future products. The image and reputation of the Company's products may be adversely affected by various matters including litigation, or complaints from customers and/or regulatory bodies resulting from quality failure, illness or other health concerns. Such concerns, even when unsubstantiated, could be harmful to the Company's image and the reputation of its products.

Deterioration in the Company's brand equity (brand image, reputation and product quality) could have a material adverse effect on its operating results, financial condition and prospects.

### *Dependence on the Directors and senior management*

The Company's future success is substantially dependent on the continuing services and performance of the Directors, in particular the Chairman David Bruce, and on members of the Company's management and, in addition, on the ability of the Company to continue to attract and

retain highly-skilled and qualified members of staff. There can be no assurance that the Directors or members of the executive team will remain with the Company. The loss of the services of any of the Directors, members of the Company's management or other key employees could damage the business of the Company.

#### *Risks relating to legislation, regulation and licensing*

The brewing industry in the United Kingdom is highly regulated at both national and local levels and brewing operations require licences, permits and approvals. Delays and failures to obtain, or the withdrawal of, required licences or permits could negatively affect the Company's operations.

Beer Duty imposed by the government is one of the Company's biggest costs. Any change in the rate of or regulations relating to Beer Duty could have a negative effect on the Company's financial performance.

The United Kingdom government has sponsored campaigns against excessive drinking and these, together with licensing reforms relating to the sale of alcoholic beverages and changes in drink-driving laws, may reduce demand for the Company's products. Any change in the brewing legislation could also adversely impact the products which the Company now produces or may produce in the future.

The Company seeks to comply at all times with applicable health and safety, hygiene and environmental legislation and regulations. Failure to comply with such legislation or regulations in the future could give rise to penalties or other financial costs and could damage the Company's reputation and financial performance. Changes in such legislation or regulation may impose additional costs or restrictions on the Company thereby affecting its profits and prospects.

#### *Raising of future finance by the Company*

The Company may need to raise additional funds in the future and future fundraisings would most likely be by way of placings of shares in the Company.

Further equity financing may be dilutive to existing Shareholders or result in the issue of securities whose rights, preferences and privileges are senior to those of the Ordinary Shares.

If the Company is unable to secure additional funds when needed, or cannot do so on terms it finds acceptable, it may be unable to expand its operations, take full advantage of future commercial opportunities or respond adequately to competitive pressures, any of which may have an adverse effect on its business and the results of its operations.

#### *Borrowings*

The Company may elect to fund its future development partially through borrowings. The extent of borrowings and their terms will depend on the Company's ability to obtain credit facilities, the lenders' estimates of the stability of the Company's cash flow and the debt market at any time. Furthermore, to the extent that the Company funds its activities through borrowing, it will be affected by changes in interest rates. Rising interest rates would have an adverse effect on the Company's financial performance by increasing the Company's cost of capital.

If any future funding requirements are met through additional debt financing, the Company may be required to adhere to covenants restricting its future operational and financial activities.

#### *Financial controls and internal reporting procedures*

The Company has established financial controls and internal reporting procedures that the Directors consider appropriate for the Company's current size and stage of development. As the Company grows, it may be necessary to adopt systems and controls more appropriate for a larger organisation.

Any failure by management to effectively manage the implementation of these systems and controls as the Company grows could have an adverse effect on the Company's business and financial performance and hinder its ability to prepare reliable financial statements in the future.

### ***General risk factors***

#### *General business risks*

The activities of the Company are subject to the usual commercial risks and factors, such as competition and economic conditions, which may generally affect the Company's ability to generate income or achieve the objectives which it is currently working towards in its business plan, such as the construction of a new brewery or the acquisition of a freehold pub.

#### *Litigation risk*

Legal proceedings may arise from time to time in the course of the Company's business. The Company cannot preclude the possibility that litigation may be brought against it or anticipate the costs of dealing with such litigation. Any such litigation may have an adverse effect on the Company.

#### *Taxation risk*

Statements in this Information Memorandum concerning the taxation of the Company and Applicants are based upon current tax law and practice which is subject to change. Any change in the Company's tax status or the tax applicable to holding Ordinary Shares, or in taxation legislation or its interpretation, could affect the value of any investments held by the Company and the Company's ability to provide returns to Shareholders, and/or alter the post-tax returns to Shareholders.

#### *Changes in legislation and fiscal and regulatory policies*

The Company's financial performance will be determined, in part, by the legislative and regulatory framework in which it operates. The Company is, therefore, subject to risks resulting from changes in legislation and regulation which could have an adverse effect on the results of operations of the Company.

### ***General risks relating to investing in the Ordinary Shares***

#### *Personal circumstances of Applicants*

Applicants should consider with care whether an investment in the Company is suitable for them in light of their personal circumstances and the financial resources available to them. An investment in the Company is only suitable for Applicants capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from the investment. Applicants should therefore consult an independent financial adviser before investing.

#### *Nature of investment*

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's assets will occur or that the objectives of the Company will be achieved. Applicants may not get back the full amount initially invested. The price of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. There is also the possibility that the market value of the assets of the Company may not reflect the true underlying value of the Company.

## PART 4

### FINANCIAL INFORMATION

#### Historical financial information of the Company

The Company's annual report and accounts covering the two financial years ended 31 March 2014 and 31 March 2013, including comparatives for the year ended 31 March 2012 and the audited interim accounts for the six months ended 30 September 2014, are set out in the Appendix to this document. The auditors expressed an unqualified opinion on the accounts for the six months ended 30 September 2014 and the financial year ended 31 March 2014. The accounts for the years ending 31 March 2013 and 31 March 2012 each also received an unqualified opinion in all respects with the exception of stock.

The results for the above accounting periods are summarised below.

The financial information set out in this Part 4 does not constitute statutory accounts within the meaning of Section 434(3) of the Act.

#### Financial results

	<i>6 months ended 30 September 2014 (Audited) £</i>	<i>Year ended 31 March 2014 (Audited) £</i>	<i>Year ended 31 March 2013 (Audited) £</i>	<i>Year ended 31 March 2012 (Audited) £</i>
Turnover	817,131	1,471,426	1,210,987	1,154,290
Cost of sales	(504,898)	(940,176)	(774,291)	(693,650)
Gross profit	312,233	531,250	436,696	460,640
Other operating income	1,667	3,333	3,167	—
Administrative expenses	(308,787)	(574,177)	(447,079)	(293,838)
Net interest income/(expense)	(531)	(1,016)	(651)	294
Profit/(loss) on ordinary activities before taxation	4,582	(40,610)	(7,867)	167,096
Taxation	(1,308)	(7,515)	(13,208)	(56,794)
Profit/(loss) on ordinary activities after tax	3,274	(48,125)	(21,075)	110,302
EBITDA	26,725	14,387	47,491	182,314

#### Commentary on the Company's financial performance

For the interim period ended 30 September 2014, sales were £817,131. When revenue generated by the Rising Sun (see below) is stripped out this represents a like-for-like increase of 19.3 per cent. compared to the comparable interim period of the prior year.

This growth in revenue has translated into a 9 per cent. increase in Gross Profit compared to the same six month period last year and this has been achieved despite increased packaging costs associated with rebranding the Company's products and increased outsourced bottling costs. The growth in revenue can be attributed to an increase in sales of both bottled beer (38 per cent. increase year on year) and cask beer (13 per cent. increase year on year) as the Company has branched out into new markets following the successful implementation of the Company's new sales and marketing strategy which has included new packaging and product design.

In February 2014, the Company closed The Rising Sun at Stockcross, its loss-making pub, a decision which has limited losses associated with this pub to approximately £30,000 per annum.

The loss for the year ended 31 March 2014 can be attributed to one-off legal and professional fees of approximately £97,600 connected specifically with the sale of some of the Founding Shareholders' equity. During the year the core brewery business saw revenue increase by 23 per cent. and gross profit increase by 22 per cent. compared to the previous year.

The loss for the year ended 31 March 2013 can be attributed to one-off costs including approximately £40,000 for the refurbishing of the Rising Sun pub and approximately £30,000 for a rebranding exercise. In addition, the Company incurred an increase in overheads as a result of an investment in staff and other costs associated with the move to the present brewery in February 2012.

Summarised balance sheets of the Company at the ends of the relevant accounting periods are set out below:

<b>Balance sheet at:</b>	<i>30 September</i> 2014 £	<i>31 March</i> 2014 £	<i>31 March</i> 2013 £	<i>31 March</i> 2012 £
<b>Assets</b>				
<i>Fixed assets</i>				
Tangible fixed assets	370,905	385,946	428,968	375,375
<i>Current assets</i>				
Stocks	145,518	128,573	96,642	93,231
Debtors	217,283	145,992	116,702	105,234
Cash	46,331	98,438	125,071	152,372
<b>Total assets</b>	<u>780,037</u>	<u>758,949</u>	<u>767,383</u>	<u>726,212</u>
<b>Liabilities</b>				
Current	(255,421)	(230,942)	(173,301)	(159,675)
Long term	(35,000)	(40,230)	(53,279)	0
Provisions	(57,108)	(58,543)	(63,444)	(50,236)
<b>Net assets</b>	<u>432,508</u>	<u>429,234</u>	<u>477,359</u>	<u>516,301</u>
Share Capital	1,900	1,900	1,900	1,900
Share Premium	22,683	22,683	22,683	22,683
Reserves	407,925	404,651	452,776	491,718
<b>Shareholder funds</b>	<u>432,508</u>	<u>429,234</u>	<u>477,359</u>	<u>516,301</u>

## PART 5

### DETAILS OF THE OFFER

#### 1. Size of offer, utilisation of proceeds and payment

The Offer is being undertaken to raise up to £4,000,000 from Shareholders and Potential New Shareholders through the issue and allotment of new Ordinary Shares. There is no minimum total fundraising amount.

The target fundraise of £4,000,000 and the total number of new Ordinary Shares to be issued is a best estimate of the Sterling value of €5,000,000 based on the Euro to Sterling exchange rate at the date of this document. The total fundraise will not exceed €5,000,000 at the date that the new Ordinary Shares are allotted to successful Applicants.

Applications received on or before 5.00 pm on 23 January 2015 will benefit from the Reduced Offer Price of £2.90 per share and Applications received after 5.00 pm on 23 January 2015 will be allotted at the Offer Price of £3.00 per share.

Applicants will need to pay for any Ordinary Shares applied for by cheque or banker's draft on application. Applicants are encouraged to submit their Application Forms early.

The Offer is not underwritten or guaranteed.

#### 2. Costs and net proceeds

All costs and expenses incurred in relation to the Offer (including fees payable to RAM Capital Partners LLP, commissions payable by the Company to IFAs (if any), legal and receiving agent fees, etc) will be paid by the Company out of their existing funds. The costs of the Offer are not expected to exceed £231,000 (excluding VAT and any trail commission) assuming that the target fundraise of approximately £4,000,000 is achieved.

#### 3. Issue and allotment of Ordinary Shares

Ordinary Shares with an aggregate issue price of up to £3.00 are available to be issued under the Offer in relation to the 2014/15 tax year, to be allotted and issued on or before 2 April 2015, subject to the Directors' discretion.

The Ordinary Shares will be issued in registered form and be transferable in certificated form. No temporary documents of title will be issued. The Ordinary Shares will rank *pari passu* for all dividends and other distributions declared, paid or made by the Company thereafter.

#### 4. Commissions

For the purposes of chapter 6.1A of the FCA Conduct of Business Sourcebook, the Ordinary Shares are not considered to be a "Retail Investment Product". Accordingly, the Company is not prohibited from the payment of commission to financial advisers who introduce Investors. The Company is therefore, offering to pay authorised intermediaries who introduce subscriptions for Ordinary Shares either:

- (a) initial commission of 3.00 per cent. and no trail commission; or
- (b) initial commission of 2.25 per cent. (together with an annual trail commission of 0.375 per cent. for a maximum of four years).

No commission will be paid in respect of Applicants who inform the Company that they have already agreed to pay fees directly to their financial adviser for advice relating to their investment.

Authorised intermediaries may agree to waive all or part of the initial commission available to them and, by marking the relevant box on the Application Form, authorise the Company to apply an amount equal to the amount of commission that would otherwise be payable to the authorised intermediary in a subscription for further Ordinary Shares in the Company for the account of their clients.

The Company has appointed RAM Capital Partners LLP as Promoter to the Offer. Details of the fees and expenses payable by the Company to RAM Capital Partners LLP in relation to the Offer are set out in paragraph 15 of Part 8 of this document.

## **5. Subscriptions**

For the Reduced Offer Price, the Minimum Subscription Level is £5,800 and thereafter each Application at the Reduced Offer Price must be in multiples of £5,800. For the Offer Price, the Minimum Subscription Level is £6,000 and thereafter each Application at the Offer Price must be in multiples of £6,000. The Directors reserve the right in their absolute discretion and without recourse to accept Applications from Applicants which are below the Minimum Subscription Level on a case-specific basis.

The Directors reserve the right in their absolute discretion, and with or without recourse to an Applicant, to reject any Application in whole or in part without giving any reason. The remittance which is the subject of any rejected Applications, in whole or in part, will be returned without interest within five days of the Closing Date.

## PART 6

### TERMS AND CONDITIONS OF THE OFFER

1. Applications must be made by completing the Application Form, including the signature and dating thereof.
2. Completed Application Forms must be sent to Share Registrars Limited whose address appears on the Application Form.
3. The subscription list will open at 9.00 am on 27 November 2014 and close at 5.00 pm on 2 April 2015 for Applications accepted in respect of the 2014/15 tax year (at the Directors' discretion). Applicants wishing to take advantage of the Reduced Offer Price of £2.90 must submit their Applications by 5.00 pm on 23 January 2015. In their absolute discretion the Directors also reserve the right to extend the closing date to a date not later than 30 April 2015. Application monies will be retained pending allotment of the Offer Shares. Any interest on application monies will be paid to the Company.
4. By completing and delivering an Application Form each Applicant irrevocably offers to acquire the number of Ordinary Shares specified on their Application Form or any smaller amount for which such Application is accepted at the Reduced Offer Price or Offer Price subject to the provisions of this Information Memorandum, these Terms and Conditions of the Offer and the Articles. Payment must be made by cheque or banker's draft made payable to **Share Registrars Limited re The West Berkshire Brewery PLC** for the amount payable as stated on the Application Form. The completion and presentation of an Application Form, accompanied by a cheque, constitutes an undertaking that the cheque will be honoured on first presentation.
5. The Directors reserve the right in their absolute discretion, and with or without recourse to an Applicant, to reject any Application in whole or in part without giving any reason. The remittance which is the subject of any rejected Applications, in whole or in part, will be returned without interest within five days of the Closing Date of the Offer.
6. It is a term of the Offer that, to ensure compliance with the Money Laundering Regulations 2007 as subsequently amended, Share Registrars Limited may at its absolute discretion require verification of identity (including by electronic means) from any person lodging an Application Form and, without prejudice to the generality of the foregoing, in particular any person who either:
  - a. tenders payment by way of cheque or banker's draft drawn on an account in the name of a person or persons other than the Applicant; or
  - b. appears to be acting on behalf of some other person.

In either case, verification of the identity of the Applicant may be required.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 12.00 noon on the Closing Date, Share Registrars Limited has not received evidence satisfactory as aforesaid, the Company may, at its absolute discretion, reject any such Application in which event the remittance submitted in respect of that Application will be returned to the Applicant without interest (and without prejudice to the rights of the Company to undertake proceedings to recover any loss suffered by it as a result of the failure to produce satisfactory evidence of identity).

7. Where possible, Applicants should make payment by their own cheque. If a banker's draft or building society cheque is used, the Applicant should:
  - a. write his/her name and address on the back of the cheque or draft and, in the case of an individual, record his/her date of birth against his/her name; and
  - b. ask the bank or building society (if relevant) to endorse on the reverse of the draft or cheque the full name and account number of the person whose account is being debited and stamp such endorsement.

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form but without limiting Share Registrars Limited's right to require verification of identity as indicated above.

- c. Applications received via FCA financial intermediaries and utilising a cheque drawn on the FCA regulated firm's account are acceptable.

THIRD PARTY CHEQUES WITH THE EXCEPTION OF THOSE MENTIONED ABOVE WILL BE RETURNED.

8. Due completion of the agent's box on the Application Form warrants that the agent is duly authorised to transact investments of this type under FSMA, and that they undertake to fulfil responsibility for the identification procedures necessary under the Money Laundering Regulations and Guidance Notes issued by the Joint Money Laundering Steering Group and confirm that they have completed their own Know your Client procedures successfully.
9. No Application will be accepted by fax.
10. All cheques, certificates and other documents relating to any Application despatched by post will be at the risk of the Applicant.
11. Applications will be irrevocable and Applicants will have no right of cancellation. However, in the event of any requirement for the Company to publish a supplementary Information Memorandum, Applicants who have yet to be entered into the Company's register of members will be given not less than two days to withdraw their Application.
12. No person receiving a copy of this Information Memorandum or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such form, unless in the relevant territory such an invitation or offer could lawfully be made to him or her or such form could lawfully be used without contravention of any registration or other regulatory or legal requirements without any action being required by or on behalf of the Company for the purpose of making such invitation or offer lawful in such territory.

It is a condition of any Application by a person outside the UK that he must satisfy himself as to the full observance of the laws of any relevant territory in connection with the Application including obtaining any requisite governmental or other consents which may be required and to comply with the requisite formalities, and paying any issue, transfer or other taxes due in any such territory. The Company reserves the right in its absolute discretion to reject Applications made by any person outside the UK.

## PART 7

### TAXATION

**Note: the tax reliefs available depend on the individual circumstances of each Applicant and may be subject to change in the future. The following information is based on current UK law and practice and is subject to change therein. The information and examples in this section are generic in character and do not represent advice to any Applicant on his or her personal tax circumstances. Applicants should seek their own tax advice before investing.**

The Company made an application to the Small Company Enterprise Centre of HMRC for assurance that the Company is a Qualifying Company under EIS legislation ("**Qualifying Company**"). Clearance was granted to the Company on 6 November 2014.

The Enterprise Investment Scheme ("**EIS**") is a Government scheme that provides a range of tax reliefs for investors who subscribe for ordinary shares in Qualifying Companies. There are five current tax reliefs potentially available to investors in Qualifying Companies ("**Qualifying Investments**"), which are summarised below:

#### **1. UK taxation – EIS Income Tax relief**

Individuals can obtain income tax relief on the amount subscribed for shares in Qualifying Companies provided they are not connected with the issuing company in the period beginning 2 years prior to the issue of the shares and 3 years after the issue. An investor is connected to the company if he or an associate is an employee of the company. Associates includes spouses and relatives such as parents and children. An employee includes a Director of the company. An investor is also connected to the company if he holds more than 30 per cent. of ordinary shares, or he can exercise more than 30 per cent. of the voting rights. Shareholdings of his associates must also be considered.

This is subject to a limit of £1,000,000 (limit for 2014/15) across all EIS investments in a tax year. Husbands and wives, and civil partners, can each subscribe up to £1,000,000, but will not qualify for EIS income tax relief if together they hold more than 30 per cent. of the issued share capital of any one Company. The rate of relief is 30 per cent. The relief is given against the individual's income tax liability for the tax year in which shares are issued unless the individual makes a carry back claim to the previous tax year, in which case the claim must be within the applicable annual investment limit for that previous tax year (which was £1,000,000 for the 2013/14 tax year), and the relief is given at the rate applicable for that earlier year. The relief cannot exceed an amount which reduces the Applicant's income tax liability to nil. To retain the EIS income tax relief, a Qualifying Investment must be held for the Three Year EIS Qualifying Period (i.e. no less than three years from the date of issue, or until three years from commencement of trade, if later).

An investor can subscribe for more than £1,000,000 in a tax year. However, the income tax relief is given on the first £300,000 only.

A claim for EIS income tax relief must be made by the 5th anniversary of 31 January following the end of the tax year in which the shares were issued, i.e. for shares subscribed for in 2014/15, a claim must be made by 31 January 2021.

Example:

<b>Initial Investment</b>	£100,000
Less income tax relief at 30%	(£30,000)
Net cost of investment	£70,000

## 2. CGT freedom for shares for which Income Tax relief obtained

Any capital gains realised on a disposal of shares in the Qualifying Companies after the Three Year EIS Qualifying Period, and on which EIS income tax relief has been given and not withdrawn, will be capital gains tax-free. The opportunity for a CGT-free gain can be an extremely valuable benefit from subscribing for shares in a successful Qualifying Company.

<b>Initial Investment</b>	£100,000
Less income tax relief at 30 per cent.	(£30,000)
Net cash outlay for investment	£70,000
Realised value of investment after 3 years	£160,000
Total gain	£90,000

*Tax free profit being gain of £60,000 (ignoring the availability of annual exemptions) and income tax relief of £30,000*

## 3. Inheritance Tax relief – IHT relief

Shares in Qualifying Companies will generally qualify for business property relief for Inheritance Tax (IHT) purposes at rates of up to 100 per cent. after two years of holding such investment, so that any liability for IHT is reduced or eliminated in respect of such shares. For a simple example of the impact of IHT relief:

<b>Initial Investment</b>	£100,000
Less income tax relief @30%	(£30,000)
Net cash outlay for investment	£70,000
Hypothetical value of investment	£160,000
Gain on investment	£90,000
IHT relief at 40%	£64,000

The above ignores the availability of any IHT reliefs including the nil rate band.

## 4. CGT deferral relief under the EIS

- To the extent to which UK resident Applicants (including certain trustees) subscribe for qualifying shares, they can claim to defer paying tax on all or part of a chargeable gain. The gain may have arisen on the disposal of another asset or a previously deferred gain may have been brought into charge.
- Deferral relief is unlimited, in other words, this relief is not limited to investments of £1,000,000 per annum and can also be claimed by Applicants (individuals or trustees) whose interest in the company exceeds 30 per cent.
- The shares must be issued within one year before and three years after the date of the disposal which gives rise to the gain or the date upon which a previously deferred gain crystallises. The gain is deferred until there is a chargeable event, such as a disposal of the shares or an earlier breach of the EIS rules.
- The EIS reinvestment claim itself must be made no later than 5 years from 31 January after the end of the tax year in which the shares were issued.

**Example – £100,000 capital gain invested.**£100,000  
5 April 2015**Initial Investment**

Less income tax relief at 30 per cent.	(£30,000)
Illustrative capital gains deferral (up to 28 per cent.) of 2014/15 gain	(£28,000)
Net cash outlay for investment	£42,000
Shares sold May 2018	
Hypothetical value of investment	£160,000
Chargeable gain	£0 – tax free if held for more than 3 years from issue or commencement of trade if later
Deferred gain from 2014/2015 becomes chargeable 2018/2019	£100,000
Tax payable at 28 per cent. (assuming rate currently effective applies)	(£28,000)

**5. Loss relief**

- In order to calculate the amount of allowable loss, any income tax relief obtained on the subscription reduces the base cost for capital gains tax purposes. Essentially, any income tax relief obtained by the investor will reduce the capital loss that he or she may claim.
- If EIS shares are disposed of at any time at a loss (after taking into account income tax relief), such loss may be set against the investor's capital gains, or his income in the year of disposal or the previous year.
- For losses offset against income, the net effect is to limit the investment exposure to 42p in the £1 for a 40% taxpayer or to 38.5p in the £1 for a 45% taxpayer, if the shares were to become totally worthless.
- The Finance Act 2013 has introduced a cap on amounts which may be claimed for income tax purposes which includes some losses and restricts income tax loss relief in any tax year to either £50,000 or 25 per cent. of income, whichever is the greater. Losses arising on the disposal of shares where deferral relief only has been claimed come within the cap on losses eligible for relief. The cap applies to losses that arise after 5 April 2014.
- Alternatively, the losses can be offset against Capital Gains at the prevailing rate of CGT, which is currently 28 per cent. for higher rate taxpayers.

**6. UK taxation – general****6.1 Introduction**

Information in this section is based on the Directors' understanding of current UK tax law and HM Revenue & Customs practice as at the date of this Information Memorandum, both of which are subject to change at any time. It should be regarded as a summary of the tax treatment likely to be afforded UK resident Applicants holding their Ordinary Shares in the Company as investments. It does not constitute legal or tax advice and Applicants are, therefore, strongly recommended to consult a professional adviser regarding their own tax position and the consequences of making an investment in the Company.

**6.2 Tax residence of the Company**

The Company is considered to be resident for tax purposes in the UK. Accordingly, the information provided in this section reflects the taxation treatment appropriate to an investment in a UK tax resident company.

### 6.3 *Taxation of dividends*

The taxation of dividends paid by the Company and received by a Shareholder resident for tax purposes in the UK is summarised below.

#### *Individuals*

A UK resident individual Shareholder in receipt of dividends is treated as receiving income of an amount equal to the sum of the dividend and its associated tax credit. The tax credit currently equates to 10 per cent. of the gross dividend, being the combined amount of the dividend and the tax credit (the tax credit therefore representing one-ninth of the net dividend). The gross dividend is subject to income tax at the top slice of the individual's income and is taxed at the individual's marginal rate of income tax. The tax credit is available to set against the resulting liability (if any) to income tax. An individual liable to income tax at the basic rate will be liable to tax on the gross dividend at a rate of 10 per cent. ("**the dividend ordinary rate**" which is a special rate of tax set for basic rate taxpayers in receipt of dividend income). Accordingly, the tax credit will satisfy the income tax liability of such an individual. An individual liable to income tax at the higher rate will pay tax on the gross dividend at a rate of 32.5 per cent. ("**the dividend upper rate**" which is a special rate of tax set for higher rate taxpayers in receipt of dividend income). After taking into account the tax credit of 10 per cent. a higher rate taxpayer will be liable to additional income tax of 22.5 per cent. of the gross dividend, which equates to 25 per cent. of the actual or net dividend.

An individual Shareholder liable to income tax at the additional rate will be subject to income tax on the gross dividend at the rate of 37.5 per cent. but will be able to set the tax credit off against part of this liability. The effect of that set off of the tax credit will be that such a Shareholder will have to account for additional tax equal to approximately 30.6 per cent. of the net cash dividend received.

#### *Trustees*

UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 37.5 per cent. ("**the dividend trust rate**") of the gross dividend. After giving effect to the tax credit of 10 per cent. the trustees will be liable to additional income tax of 27.5 per cent. of the gross dividend, which equates to 30.06 per cent. of the actual or net dividend.

#### *Companies*

Although a UK resident corporate Shareholder is potentially liable to corporation tax on its dividend income, it is anticipated that the general exemption for dividends will be available to corporation tax-exempt corporate Shareholders in receipt of dividends from the Company.

### 6.4 *Withholding tax and tax credit in UK*

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder. Other UK resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit. Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment of any part of the tax credit attaching to dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Shareholder is resident. A Shareholder resident outside the UK may also be subject to taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

## 6.5 *Taxation of chargeable gains*

A sale or other disposal of the Ordinary Shares may, subject to any available reliefs and exemptions, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

### *Individuals and trustees*

Chargeable gains realised on a disposal of Ordinary Shares by an individual or trustee resident and ordinarily resident in the UK will be subject to capital gains tax which is charged at a rate of 28 per cent. for those individuals whose total income and gains exceed the income tax basic rate limit, and at a rate of 18 per cent. where total income and gains fall below the basic rate limit. A flat rate of 28 per cent. applies for trustees and personal representatives. An annual tax free allowance known as the 'Annual Exempt Amount', currently at £11,000 for 2014/15, is available to UK tax resident individuals. Trustees and personal representatives may be entitled to the annual exempt allowance in certain circumstances. An individual Shareholder who disposes of Ordinary Shares while only temporarily not resident in the UK for tax purposes, may, under anti-avoidance legislation, still be liable to UK tax on his or her return to the UK. A period of non-residence of less than 5 whole tax years prior to the year in which the Shareholder returns to the UK will be treated as a temporary period for these purposes. Generally shares of the same class acquired by the same person and in the same capacity are 'pooled' and treated as a single asset growing or diminishing as shares of the same class are acquired or disposed. This is subject to specific rules dealing with same day purchases or acquisitions within 30 days of a disposal. Accordingly on a part disposal of the relevant shareholding the gain (or loss) will be computed by reference to that proportionate part of the aggregate cost of the holding attributable to the shares disposed. These ordinary share identification rules do not apply to shares that have attracted EIS relief. There is no pooling of these shares and other matching rules do not apply. Disposals are identified first against the earliest acquisition. With effect from 6 April 2008 indexation relief is not available to individuals and trustees in computing any gain subject to capital gains tax.

### *Companies*

UK resident corporate Shareholders are subject to corporation tax on their chargeable gains. Gains realised by such companies, as reduced by available indexation relief, are subject to corporation tax at the Company's relevant rate. The full rate of corporation tax is currently 21 per cent. (reducing to 20 per cent. from 1 April 2015). Indexation relief is deductible in computing any gain arising on a disposal of, or out of, the holding and is computed by reference to the movement in the Retail Price Index over the period of ownership applied to the costs of the holding, or that part of the holding, disposed. As for individuals and trustees, shares of the same class held by a corporate Shareholder are 'pooled'.

### *Non-residents*

Shareholders who are not resident or ordinarily resident in the UK and who are not affected by the rules relating to temporary non residence will, save in limited circumstances, not be liable to UK taxation on chargeable gains realised on the disposal of their Ordinary Shares. Such Shareholders may be subject to foreign taxation on any gain realised under the local law of their country of residence and should consult their own tax adviser concerning their tax liabilities on such gains.

## 6.6 *Inheritance Tax*

The Ordinary Shares are considered to potentially qualify for business property relief for the purposes of inheritance tax. Shares in an unquoted company (other than an investment company or one which carries on a business consisting wholly or mainly of dealing in securities, stocks, shares, land and buildings) potentially attract full relief (as business property)

from inheritance tax where the shares have been held for 2 years prior to the chargeable transfer for inheritance tax purposes.

#### 6.7 *Stamp Duty and Stamp Duty Reserve Tax ('SDRT')*

Transfers of Ordinary Shares may give rise to liabilities to stamp duty or SDRT. The paragraphs below summarise the current position and are intended as a general guide only to stamp duty and SDRT. Special rules apply to agreements made by brokers, dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate. No liability to stamp duty or SDRT will generally arise on the allotment and issue of new Ordinary Shares by the Company.

##### *Transfers*

An instrument (generally a stock transfer form) transferring Ordinary Shares will be liable to *ad valorem* stamp duty broadly at a rate of 0.5 per cent. of the actual consideration paid. Stamp duty is normally paid by the purchaser and will be an allowable expense when calculating any resulting capital gain or loss on the disposal of the Shares. An unconditional agreement to transfer such shares, if not completed by a duly stamped stock transfer form, within 2 months of the day on which the agreement is made or becomes unconditional, will be subject to SDRT (payable by the purchaser and generally at a rate of 0.5 per cent. of the consideration paid). If within 6 years of the date of the agreement an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on the instrument, any liability to SDRT will be cancelled or repaid.

## PART 8

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Company and the Directors, whose names and functions are set out in Part 2 of this Information Memorandum, accept responsibility, both collectively and individually, for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this Information Memorandum, no person is authorised to give any information or make any representations other than as contained in this Information Memorandum and, if given or made, such information or representations must not be relied upon as having been so authorised.

#### 2. The Company

- 2.1 The business of WBB was established in 1995 by Dave Maggs and Helen Maggs who until 1998 operated WBB as self-employed proprietors.
- 2.2 The Company was incorporated in order to acquire the business of WBB. It was registered in England and Wales on 16 November 1998 with registered number 03667842 as a company limited by shares under the Companies Act 1985. The Company is domiciled in the UK. The Company is not regulated in the UK or elsewhere nor is it subject to regulatory review.
- 2.3 At a General Meeting of the Company which was held on 10 November 2014 a resolution was passed to re-register the Company as a public company under the Act.
- 2.4 The principal legislation under which the Company operates is the Act. The liability of the Shareholders is limited.
- 2.5 The registered office of the Company is at Ross Brooke Limited, 2 Old Bath Road, Newbury, Berkshire, RG14 1QL.
- 2.6 The telephone number of the registered office is 01635 555666.
- 2.7 The Company's accounting reference date is 31 March.

#### 3. Subsidiary undertakings

- 3.1 As at the date of this Information Memorandum, the Company has one subsidiary, The Royal County of Berkshire Brewery Company Limited, which was incorporated on 21 July 2014 with registered number 09141182.

#### 4. Share capital

- 4.1 As at the date of this Information Memorandum, the issued share capital of the Company consists of 964,450 Ordinary Shares. The Company's Ordinary Shares are in registered form and are capable of transfer in both certificated and uncertificated form.
- 4.2 Save as set out in paragraph 5 of this Part 8, there has been no share issue by the Company since incorporation.

## **5. Share capital history**

- 5.1 The Company was incorporated on 16 November 1998 with an authorised share capital of £1,000 represented by 1,000 ordinary shares of £1 each, of which 2 were issued, nil paid, to the subscribers to the Memorandum of Association.
- 5.2 On 1 September 1999, the 2 subscriber shares were subdivided into 20 Ordinary Shares and transferred to Dave Maggs (10 Ordinary Shares) and Helen Maggs (10 Ordinary Shares).
- 5.3 On 1 September 1999, 3,333 Ordinary Shares were issued to Andrew Baum.
- 5.4 On 1 September 1999, 9,980 Ordinary Shares were issued to Dave Maggs (4,990 Ordinary Shares) and Helen Maggs (4,990 Ordinary Shares).
- 5.5 On 1 June 2000, 702 Ordinary Shares were issued to Andrew Baum.
- 5.6 On 1 June 2000, 965 Ordinary Shares were issued to Dave Maggs (483 Ordinary Shares) and Helen Maggs (482 Ordinary Shares).
- 5.7 On 23 July 2002, 4,000 Ordinary Shares were issued to: Dave Maggs (1,500 Ordinary Shares), Helen Maggs (1,500 Ordinary Shares), Andrew Baum (500 Ordinary Shares) and Karen Baum (500 Ordinary Shares).
- 5.8 On 24 July 2002, 1,000 Ordinary Shares were issued to Hugo Llewelyn.
- 5.9 On 31 December 2004, 1,000 Ordinary Shares, which had been owned by Hugo Llewelyn, were cancelled.
- 5.10 On 6 November 2014, Brew Securities exercised options in accordance with the terms of the Brew Option Agreement (please see below for details of the terms of this agreement) to subscribe for 289 new Ordinary Shares, which were issued to Brew Securities on 6 November 2014.
- 5.11 At a General Meeting of the Company held on 10 November 2014, resolutions were passed to allot further Ordinary Shares in the capital of the Company up to an aggregate nominal amount of £378,314.
- 5.12 At the same meeting, certain amounts from the Company's share premium account and the Company's profit and loss reserves account were capitalised and the Directors were authorised to apply such sums in paying up in full 931,000 new Ordinary Shares of 10p each and to allot and issue such new Ordinary Shares, credited as fully paid, to the existing holders of Ordinary Shares at the rate of 49 new Ordinary Shares for every one existing Ordinary Share held by them. It is intended that the 14,161 bonus shares issued to Brew Securities resulting from the exercise of the options referred to in paragraph 5.10 above will be paid out of reserves subject to Shareholder consent.
- 5.13 The current shareholdings in the Company of the Directors and Founding Shareholders are set out in paragraph 10 of this Part 8.

## **6. Memorandum and Articles**

The principal objects of the Company (which, by virtue of section 28 (1) of the Act, became part of the Articles on 1 October 2009) are to carry on the business, *inter alia*, of a general commercial company.

### **6.1 Articles**

- 6.2 The Articles which were adopted pursuant to a special resolution of the Company passed on 10 November 2014 contain provisions, *inter alia*, in respect of the Ordinary Shares, general meetings of the Company and its Directors to the following effect:

### 6.2.1 *Voting rights*

Subject to any rights or restrictions attached to the shares (including as a result of unpaid calls) and/or as mentioned below, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative and is entitled to have a vote shall, upon a show of hands, have one vote and on a poll every member who is present in person or by proxy and entitled to vote shall have one vote for every share of which he or she is the holder. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under section 793 of the Act, in the reasonable time period specified in the notice, the shares in question may be disenfranchised.

### 6.2.2 *Confirmation of shareholdings*

Pursuant to section 793 of the Act, the Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's issued share capital, to confirm that fact or (as the case may be) to indicate whether or not it is the case, and where that person holds, or has during that time held an interest in such shares, to give such further information as may be required in accordance with section 793 of the Act.

### 6.2.3 *Uncertificated shares*

Every shareholder is entitled to receive a certificate for all of the shares of any class that are registered in his or her name. Notwithstanding such right, under and subject to the uncertificated securities rules, the Board may permit title to shares of any class to be evidenced otherwise than by certificate and title to shares of such a class to be transferred by means of a relevant system such as CREST and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class in that system.

### 6.2.4 *General meetings*

An annual general meeting shall be held once a year, within a period of not more than 6 months of the Company's accounting reference date.

Subject to a members' rights to requisition general meetings pursuant to section 303 of the Act, general meetings of the Company are convened at the discretion of the board, and with the exception of the annual general meeting, all such general meetings of the Company shall be called general meetings.

An annual general meeting shall be called by at least 21 clear days' notice in writing. All other general meetings shall be called by at least 14 clear days' notice to the Company regardless of the type of resolution being passed (under section 307(1) of the Act). A notice must be served on a member in accordance with the provisions of the Act, that is, in hard copy form, or where the member has consented or is deemed to have consented under the Act, in electronic form or via a website. If the notice contains an electronic address for the Company, a member may send any Document or information relating to the relevant general meeting to that electronic address. Notice shall be given to all members and the Directors and the auditors.

The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, day and hour of the meeting. A notice calling an annual general meeting shall specify the meeting as such

and the notice convening a general meeting to pass a special resolution shall specify the intention to propose the resolution as such. Every notice must include a reasonably prominent statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him or her and that a proxy need not be a member of the Company.

A general meeting may be called by shorter notice being less than 14 days with the consent of members who (i) are a majority in number and (ii) hold 95 per cent in nominal value of the voting shares of the company. An annual general meeting may be called by shorter notice being less than 21 days with the consent of members who (i) are a majority in number and (ii) hold 100 per cent. in nominal value of the voting shares of the Company.

Any number of holders (being no fewer than two) of the Company's shares in issue who are entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall constitute a quorum.

#### 6.2.5 *Changes in capital*

The Company may by ordinary resolution, consolidate shares, or any of them, into shares of a larger amount. The Company may by ordinary resolution divide all or any of its share capital into shares of a smaller amount.

The Company may, from time to time, by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner allowed by the Act and the rights attached to existing shares. Subject to and in accordance with the provisions of the Act, the Company may purchase its own shares (including redeemable shares).

#### 6.2.6 *Variation of rights*

Subject to the Act and every other statute for the time being in force concerning companies and affecting the Company (the "Statutes"), if at any time the capital of the Company is divided into different classes of shares, all or any of the rights and privileges attached to any class of share may be varied or abrogated either:

- a) in such a manner (if any) as may be provided by the rights attaching to such class; or
- b) in the absence of any such provision, with the consent in writing of the holders of at least 75 per cent. of the nominal amount of the issued shares of the relevant class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the relevant class. At any such separate meeting the holders present in person or by proxy of one third of the issued shares of the class in question shall be a quorum.

The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class shall not (unless otherwise expressly provided otherwise) be deemed to be a variation of the rights of such shares. A reduction of the capital paid up on any shares of any class will not be deemed to constitute a variation or abrogation of the rights attached to those shares. A purchase or redemption by the Company of any of its own shares in accordance with the provisions of the Statutes and the Articles shall not be deemed to be a variation of the rights attaching to any shares.

### 6.2.7 *Redemption*

The Company may, subject to the Statutes, create shares which are liable to be redeemed. As at the date of this Information Memorandum, there are no shares of the Company in issue which are capable of being redeemed by the Company.

### 6.2.8 *Transfer of Shares*

The Ordinary Shares are in registered form and may be in certificated or uncertificated form. Shares in uncertificated form may be transferred otherwise than by written instrument in accordance with the Statutes.

Transfers of shares in certificated form may be effected by an instrument in writing in any usual or common form or in any other form acceptable to the Directors. Any instrument of transfer shall be signed by or on behalf of the transferor and, (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Company's register of members.

The Directors may, in their absolute discretion (but subject to any applicable rules or regulations including those published by the FCA applicable to the Company from time to time) and without assigning any reason therefore, refuse to register the transfer of a share which is in respect of a share which is not fully paid, or which is in favour of more than four joint transferees or which is in respect of more than one class of shares or which has not been presented for registration duly stamped accompanied by the share certificates for the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

### 6.2.9 *Dividends and other distributions*

Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends to be paid to the members in accordance with their respective rights and interests in the profits, but not exceeding the amount recommended by the Directors.

No dividends or monies payable by the Company in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.

The Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.

The Directors may, with the sanction of an ordinary resolution, offer the Shareholders or any class of them (other than those not entitled to the relevant dividend or dividends) the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of the whole or part of any dividend or dividends which are the subject of the ordinary resolution.

Where, in respect of any shares, any registered holder or any other person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under section 793 of the Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal amount of the issued shares of the relevant class, the Company may withhold dividends on such shares.

All unclaimed dividends or other sums payable on or in respect of a share may after one year of being declared, be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be a trustee in respect thereof. Any dividend which is unclaimed for a period of 12 years from the date on which the dividend became due for payment shall be forfeited and cease to remain

owing by the Company and shall revert to the Company absolutely. The payment of any unclaimed dividend or other sum payable by the Company or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

#### 6.2.10 *Borrowing powers*

The Directors may, subject to the Articles and to the Statutes, exercise all the powers of the Company to borrow money, to indemnify and guarantee, to mortgage or charge all or any part of its undertaking, property and assets both present and future (including uncalled capital) and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

#### 6.2.11 *Board of Directors*

Unless otherwise determined by the Company by ordinary resolution, the number of Directors shall not be subject to any minimum number or any maximum number. Subject to the Articles and the Statutes, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing board and the Board shall likewise have a similar power.

The quorum necessary for the transaction of business by the Board may be determined by the Board and until otherwise determined shall be three persons. Questions arising at any Board meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall have a second or casting vote.

#### 6.2.12 *Remuneration of Directors*

Each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. However, the aggregate of all fees payable to the Directors (other than amounts payable under any other provision of these Articles) must not exceed such amount as may from time to time be decided by ordinary resolution of the Company. Any fees payable under this Article shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of these Articles and shall accrue from day to day.

Each Director may also be paid all reasonable travelling, hotel and other expenses properly incurred by him or her in respect of or about the performance of his or her duties as Director including any expenses incurred in connection with his attendance at meetings of the Directors of the Company or otherwise in the discharge of his duties as a Director.

Any Director who holds any executive office or who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, lump sum, participation in profits or otherwise as the Directors determine.

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or has at any time been a Director or employee of the Company.

#### 6.2.13 *Permitted interests of Directors*

Subject to the provisions of the Statutes and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Act, a Director is not disqualified by his or her office by entering into any contract,

arrangements, transaction or proposal with the Company in any manner, nor is any contract, arrangement, transaction or proposal in which he or she is interested, whether directly or indirectly, liable to be avoided, and any Director who enters into any such contract, arrangement, transaction or proposal or is so interested is not liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of the Director holding that office or of the fiduciary relationship thereby established but the nature and extent of his or her interest shall be disclosed by him or her in accordance with the provisions of the Statutes.

A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his or her office of Director and may act by himself or herself or through his or her firm in a professional capacity for the Company (other than as auditor) on such terms as to tenure of office, remuneration or otherwise as the Directors may determine. A Director may also hold office as a Director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and shall not be liable to account to the Company for any remuneration or other benefits received by him from that company.

#### 6.2.14 *Restrictions on voting by Directors*

Save as provided below, a Director shall not vote on or in respect of any contract, arrangement, transaction or any other proposal in which he or she (together with any person connected with him or her) has an interest which is to his or her knowledge a material interest otherwise than by virtue of his or her interest in shares or debentures or other securities of or otherwise or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he or she is debarred from voting.

6.2.15 A Director shall not vote or be counted in the quorum on any resolution concerning his or her own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested (including, without limitation, fixing or varying the terms of his or her appointment or the termination or extension thereof).

6.2.16 A Director cannot vote or be counted in the quorum on any resolution which may give rise to a conflict of interest but can vote on the following:

- (a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or her or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he or she has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) any proposal, contract, arrangement or transaction concerning a placing of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which placing he or she is or is to be interested as a holder of securities or as a participant in the undertaking or sub-underwriting thereof;
- (d) any contract, arrangement, transaction or other proposal concerning any other company in which he or she is interested, directly or indirectly and where as an officer or member or otherwise howsoever provided that he (together with any person connected (within the meaning of section 252 of the Act) with him or her

knows he or she is not the holder of or interested in shares representing 1 per cent. or more of any class of the equity share capital or voting rights;

- (e) a contract relating to a pension, superannuation or similar scheme or a retirement, death, disability benefits scheme or employees' share scheme which gives the Director benefits which are also generally given to the employees to whom the scheme relates;
- (f) any contract for the grant, purchase and/or maintenance of insurance against any liability of any Directors or any group of people which include Directors; and
- (g) The Board may, in accordance with the requirements of the Articles, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his or her duty under the Act to avoid conflicts of interest.

## **7. Takeover bids, squeeze-out rules and sell-out rules**

### **7.1 *Mandatory bid***

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares and/or interests therein were to increase the aggregate holding of the acquirer and anyone with whom he or she is acting in concert to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, any concert party, would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months.

This requirement would also be triggered by any acquisition of Ordinary Shares and/or interest therein by a person holding (together with any relevant concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights of the Company.

### **7.2 *Squeeze-out***

Under the Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares to which an offer relates, it could then compulsorily acquire the remaining 10 per cent. within four months of making its offer. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in favour of the offeror and pay the consideration to the Company, which would hold the consideration in trust for outstanding Shareholders.

The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer unless the Shareholders can show that the offer value is unfair.

### **7.3 *Sell-out***

The Act gives also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any shareholder notice of his right to be bought out within one month of that right arising.

The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his or her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## 8. Premises

8.1 The Company occupies the following leasehold premises:

<i>Address</i>	<i>Until</i>	<i>Current Annual Rent (£ per annum)</i>
The Flour Barn Frlsham Home Farm Yattendon Berkshire RG18 OXT	21 November 2026	35,734 plus RPI on three-yearly increments when a break clause may be invoked
The Rising Sun Stockcross Newbury Berkshire RG20 8LG	16 November 2025	24,000 (currently reduced to 18,000) subject to upwards adjustment on rent review days (being 16 November 2015 and 2020).

## 9. Employees

The Company presently has 13 employees (excluding the three Directors and the Founding Shareholders).

## 10. Directors and Founding Shareholders

10.1 As at the date of this Information Memorandum, none of the Directors or Founding Shareholders (or any person connected with them) within the meaning of section 252 to 255 of the Act has or will have an interest in the Company's issued share capital save as set out below (as at the date of this Share Information Memorandum):

	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>
David Bruce*	98,600	10.2
Dave Maggs	92,500	9.59
Helen Maggs	92,450	9.59
Andrew Baum	92,500	9.59
Karen Baum	92,450	9.59

\* David Bruce's Ordinary Shares are owned with his wife, Louise Bruce, their daughters Rebecca and Hannah Bruce and their private investment company, Brew Securities.

David Bruce is the only Director who has been granted share options through his company Brew Securities, details of which are outlined in paragraph 13 of this Part 8.

The Company has implemented a cash bonus incentive scheme for David Bruce, details of which are set out in paragraph 14 of this Part 8.

10.2 In addition to the interests referred to in paragraph 10.1 above, Hornbuckle Mitchell Trustees Limited, of which Jos Short is the beneficial owner, holds 158,350 Ordinary Shares representing 16.4 per cent. of the issued share capital of the Company at the date of this document.

- 10.3 None of the persons set out in paragraphs 10.1 and 10.2 above have any voting rights in respect of the Company (issued or to be issued) which differ from any other Shareholder.
- 10.4 Save as set out below, no directorships of any company, other than the Company, have been held or occupied over the previous five years by any of the Directors, nor over that period has any of the Directors been a partner in a partnership.

<i>Director</i>	<i>Current Directorships</i>	<i>Former Directorships</i>
David Bruce	Ace High Enterprises Limited Brew Securities Ltd Country Food & Dining (2) Ltd Country Food & Dining (3) Ltd Country Food & Dining (4) Ltd Country Food & Dining (5) Ltd The Burlington Arms Pub Co Ltd The City Pub Company (East) PLC The City Pub Company (West) PLC The Country Food & Dining Company Limited	Camm & Hooper Limited CF & D directors and employee benefit LLP (LLP member) QAS Enterprises Limited The Capital Pub Company Limited
Simon Robertson-Macleod	Ossett Brewery Ltd	
Clive Watson	Abbeyheath Limited Ace High Enterprises Limited Bar & Kitchen Limited Epsom College Kayfold Limited The City Pub Company (East) PLC The City Pub Company (West) PLC The Fat Pheasant Pub Company Ltd	Capital Pub Company Trading Limited Cerisco Limited (dissolved) Food and Wine Traders Limited (dissolved) LNL Estates Limited Puzzle Pub Holdings Limited (dissolved) Puzzle Sub Limited (dissolved) Tartancastle Limited (dissolved) Tayvin 360 Limited (dissolved) The Capital Pub Company Limited Tomahawk Pubs Limited

## 11. Directors' service agreements, Founding Shareholders' consultancy agreements, letters of appointment and emoluments

- 11.1 The services of the Directors are currently provided to the Company under the following agreements:

### **David Bruce**

David Bruce provides consultancy services to the Company through his private investment company, Brew Securities, under a consultancy agreement dated 1 April 2013. Pursuant to the terms of that consultancy agreement, Brew Securities has agreed with the Company to make David available to provide such services as those normally associated with those of a non-executive chairman of an unlisted Company. In order to terminate the Agreement six months' notice is required to be served by either the Company or Brew Securities. Brew Securities' fee for providing the services is £25,000 per annum.

### **Clive Watson**

Clive Watson provides consultancy services to the Company through his private investment company, Bar & Kitchen Limited, under a consultancy agreement dated 24 November 2014.

Pursuant to the terms of that consultancy agreement, the Company engages Bar & Kitchen Limited which has a contractual commitment to make Clive available to provide such services as those normally associated with those of a non-executive director of an unlisted company. In order to terminate the Agreement six months' notice is required to be served by either the Company or Bar & Kitchen Limited. Bar & Kitchen Limited's fee for providing the services is £20,000 per annum exclusive of VAT.

#### **Simon Robertson-Macleod**

Simon Robertson-Macleod provides consultancy services to the Company, under a consultancy agreement dated 24 November 2014. Pursuant to the terms of that consultancy agreement, Simon has a contractual commitment to provide such services as those normally associated with those of a non-executive director of an unlisted company. In order to terminate the Agreement six months' notice is required to be served by either the Company or Simon. Simon's fee for providing the services is £20,000 per annum exclusive of VAT.

- 11.2 The services of the Founding Shareholders are currently provided to the Company under the following agreements:

#### **David Maggs**

David Maggs is a Life President and provides consultancy services to the Company through his service Company, Maggs and Co Limited ('MAC') under a consultancy agreement dated 5 December 2013. Pursuant to the terms of that consultancy agreement, the Company engages MAC which has a contractual commitment to make David Maggs available to provide such services. In order to terminate the Agreement six months' notice is required to be served by either the Company or MAC such notice to be given not earlier than two years and six months from the date of the agreement. MAC's fee for providing the services is £35,000 per annum exclusive of VAT. Despite no longer being a Director, David Maggs' agreement will remain in place, and David Maggs will continue to provide consultancy services to the Company as a Life President, until December 2016.

#### **Helen Maggs**

Helen Maggs is a Life President and provides consultancy services to the Company through her service Company, Maggs and Co Limited ('MAC') under a consultancy agreement dated 5 December 2013. Pursuant to the terms of that consultancy agreement, the Company engages MAC which has a contractual commitment to make Helen Maggs available to provide such services. In order to terminate the Agreement six months' notice is required to be served by either the Company or MAC, such notice to be given not earlier than two years and six months from the date of the agreement. MAC's fee for providing the services is £35,000 per annum exclusive of VAT. Despite no longer being a Director, Helen Maggs' agreement will remain in place, and Helen Maggs will continue to provide consultancy services to the Company as a Life President, until December 2016.

#### **Karen Baum**

Karen Baum provides consultancy services to the Company through her service Company, Andrew Baum and Company Limited ('ABC') pursuant to a consultancy agreement dated 1 December 2013. Pursuant to the terms of that consultancy agreement, the Company engages ABC which has a contractual commitment to make Karen Baum available to provide such services. In order to terminate the Agreement six months' notice is required to be served by either the Company or ABC. ABC's fee for providing the services is £15,000 per annum exclusive of VAT. Karen Baum, through ABC, gave notice of her intention to terminate the agreement in August 2014 so the agreement will run until 4 February 2015, after which Karen will continue to serve the Company as a member of the Founders' Advisory Committee.

## **Andrew Baum**

Andrew Baum provides consultancy services to the Company through his service Company, Andrew Baum and Company Limited ('ABC') under a consultancy agreement dated 1 April 2013. Pursuant to the terms of that consultancy agreement, the Company engages ABC which has a contractual commitment to make Andrew Baum available to provide such services. In order to terminate the Agreement six months' notice is required to be served by either the Company or ABC. ABC's fee for providing the services is £15,000 per annum exclusive of VAT. Andrew Baum, through ABC, gave notice of his intention to terminate the agreement in July 2014 so the agreement will run until 22 January 2015 after which Andrew will continue to serve the Company as a member of the Founders' Advisory Committee.

- 11.3 Save as disclosed in this Information Memorandum, there are no other existing or proposed service contracts, or contracts in the nature of services, between any Directors and the Company and, save as disclosed, there are no such service contracts which have been entered into or amended within six months of the date of this Information Memorandum.

## **12. Working capital**

The Directors are of the opinion, having made due and careful enquiry that, taking into account the available working capital resources, WBB has sufficient working capital available to it for its present requirements, that is for at least 12 months following the date of this document.

## **13. Share option schemes**

- 13.1 On 28 March 2013 the Company adopted a share option scheme comprising an Enterprise Management Incentive Scheme ('**EMI Scheme**') for the purposes of recruiting and incentivising employees of the Company and also entered into an option agreement with Brew Securities for the benefit of David Bruce (the '**Brew Option Agreement**').

### *13.2 EMI Scheme*

The rules of the EMI Scheme satisfy the requirements of Schedule 5 of the Income Tax (Earnings & Pensions) Act 2003 ('**Schedule 5**').

- 13.3 The Board (or a duly constituted committee of the Board) has discretion to select employees or Directors of the Company from time to time who satisfy the requirements of Schedule 5 and grant them options under the EMI Scheme.

- 13.4 Options must be notified to HMRC within 92 days of the date of grant in order to qualify as valid EMI Scheme options under Schedule 5.

### *13.5 Eligibility*

Options may only be granted to employees who work for at least 25 hours per week for the Company, or, if less, devote 75 per cent. of their working time to the business of the Company.

### *13.6 Grant of EMI options*

Subject to Schedule 5, the Board, acting for and on behalf of the Company, may grant any eligible employee an option over such number of shares at such option price and with such conditions as they determine.

### *13.7 Exercise of options*

The exercise period is the period during which an option may be exercised, which in any event shall commence no later than the day before the tenth anniversary of the grant date of the option.

An option may only be exercised if any conditions of exercise specified at the grant date have been fulfilled to the satisfaction of the Board.

An option (and any right arising under it) may not be transferred, assigned or have any charge or other security interest created over it and the option shall lapse if the option holder attempts to do any of those things. The option shall also lapse if the option holder is declared bankrupt.

For the avoidance of doubt a transfer to the option holder's personal representatives on the death of the option holder will not cause the option to lapse.

### 13.8 *Termination of employment*

If an option holder ceases to hold office or employment within the Company then all of his options shall lapse on the date of cessation.

### 13.9 *Variation of share capital*

The number of shares over which an option is granted and the option price thereof shall be adjusted in such manner as the Board shall determine following any capitalisation issue, rights issue, subdivision, consolidation or reduction of share capital with the intent that (as nearly as may be) the total option price multiplied by the number of shares that is payable in respect of an option shall remain unchanged.

### 13.10 *Alterations to the EMI Scheme*

The Board shall have the discretion to alter or add to the rules of the EMI Scheme and impose additional conditions or requirements on the options or on the terms on which shares are acquired, provided that no alteration or addition would have the effect of causing the options to cease to satisfy the requirements of Schedule 5.

### 13.11 The following individuals hold options in accordance with the terms and conditions of the EMI Scheme:

Name	Number of Options	HMRC Options Exercise		Exercise Conditions	Expiry Date
		Value £/share	Price £/share		
Stephen Kirby	7,500	1.58	0.60	1 7,500 at any time after 28 March 2013	28 March 2023
Thomas Lucas	25,000	1.58	0.60	1 10,000 at any time after 28 March 2013	28 March 2023
				2 5,000 at any time after 28 March 2014	
				3 5,000 at any time after 28 March 2015	
				4 5,000 at any time after 28 March 2016	
Griffin Maggs	7,500	1.58	0.60	1 3,750 at any time after 28 March 2013	28 March 2023
				2 1,250 at any time after 28 March 2014	
				3 1,250 at any time after 28 March 2015	
				4 1,250 at any time after 28 March 2016	
Thomas Meads	7,500	1.58	0.60	1 3,750 at any time after 28 March 2014	28 March 2024
				2 1,250 at any time after 28 March 2015	
				3 1,250 at any time after 28 March 2016	
				4 1,250 at any time after 28 March 2017	
Colin Palmer	5,000	1.58	0.60	1 5,000 at any time after 28 March 2013	28 March 2023
James Tomlinson	12,500	1.58	0.60	1 5,000 at any time after 28 March 2014	28 March 2024
				2 2,500 at any time after 28 March 2015	
				3 2,500 at any time after 28 March 2016	
				4 2,500 at any time after 28 March 2017	
William Twomey	25,000	1.58	0.60	1 10,000 at any time after 28 March 2013	28 March 2023
				2 5,000 at any time after 28 March 2014	
				3 5,000 at any time after 28 March 2015	
				4 5,000 at any time after 28 March 2016	
Vicky Mills	8,000	2.50	0.95	1 4,000 at any time after 25 August 2014	28 August 2024
				2 2,000 at any time after 28 March 2015	
				3 2,000 at any time after 28 March 2016	

Brew Securities also holds share options in the Company under the Brew Option Agreement for the benefit of David Bruce which Brew Securities will be entitled to exercise in accordance with any future fundraisings which may be undertaken by the Company, as set out in paragraph 13.12 below.

### **Brew Option Agreement**

13.12 On 28 March 2013, the Company entered into an option agreement (the '**Brew Option Agreement**') with Brew Securities (which was varied by deed on 18 November 2014) pursuant to which the Company has granted options over Ordinary Shares to Brew Securities on the following basis:

- (i) upon the 'First Hurdle' (the Founding Shareholders receiving a minimum of £1,250,000 in aggregate and not incurring a tax charge in excess of 10 per cent. on such monies) being met, options will become exercisable over 1.5 per cent. of the fully diluted issued share capital of the Company;
- (ii) upon the 'Second Hurdle' (following the First Hurdle being met, a fundraise for the Company of £2,000,000 of new investment) being met, options will become exercisable over 3 per cent. of the fully diluted issued share capital of the Company (inclusive of any Ordinary Shares obtained when the First Hurdle was satisfied);
- (iii) upon the 'Third Hurdle' (following the First Hurdle being met, a fundraise for the Company of £3,000,000 of new investment) being met, options will become exercisable over 4.5 per cent. of the fully diluted issued share capital of the Company (inclusive of any Ordinary Shares obtained when the First Hurdle and/or the Second Hurdle were satisfied);
- (iv) upon the 'Fourth Hurdle' (following the First Hurdle being met, a fundraise for the Company of £4,000,000 of new investment) being met, options will become exercisable over 6 per cent. of the fully diluted issued share capital of the Company (inclusive of any Ordinary Shares obtained when the First Hurdle and/or the Second Hurdle and/or Third Hurdle were satisfied); and
- (v) upon the 'Fifth Hurdle' (following the First Hurdle being met, a fundraise for the Company of £5,000,000 of new investment) being met, options will become exercisable over 7.5 per cent. of the fully diluted issued share capital of the Company (inclusive of any Ordinary Shares obtained when the First Hurdle and/or the Second Hurdle and/or Third Hurdle and/or Fourth Hurdle were satisfied).

All options are exercisable at £1.58 per Ordinary Share.

The Brew Option Agreement shall lapse under certain specified circumstances as set out in clause six of the Brew Option Agreement.

The Board having agreed that the First Hurdle had been met, Brew Securities exercised options in accordance with the terms of the Brew Option Agreement on 6 November 2014 and 289 new Ordinary Shares were issued to Brew Securities on 6 November 2014.

### **14. The Brew Bonus Scheme**

On 24 November 2014 the Company entered into a cash bonus incentive scheme with Brew Securities ('**The Brew Bonus Scheme**') pursuant to which Brew Securities will be entitled to a bonus calculated as follows:

- (i) upon the achievement of EBITDA of £200,000 by the Company as reported in the annual audited accounts of the Company, a bonus payable in cash of £30,000;

- (ii) upon the achievement of EBITDA of £300,000 by the Company as reported in the annual audited accounts of the Company, a further bonus payable in cash of £60,000 less any amounts payable under 14(i) above;
- (iii) upon the achievement of EBITDA of £600,000 by the Company as reported in the annual audited accounts of the Company, a further bonus payable in cash of £105,000 less any amounts payable under 14(i) and (ii) above;
- (iv) upon the achievement of EBITDA of £1,000,000 by the Company as reported in the annual audited accounts of the Company, a further bonus payable in cash of £155,000 less any amounts payable under 14(i) – (iii) above; and
- (v) upon the achievement of EBITDA of £1,500,000 by the Company as reported in the annual audited accounts of the Company, a further bonus payable in cash of £230,000 less any amounts payable under 14(i) – (iv) above.

For the avoidance of doubt:-

- a) any calculation of EBITDA for the purposes of this scheme shall not include any bonus amount paid by the Company under it; and
- b) the total aggregate amount payable by the Company to Brew Securities under this scheme shall not exceed £230,000.

In all cases, Brew Securities will have the option to receive payment of the above amounts in the form of Ordinary Shares issued at the price at which the Company most recently issued Ordinary Shares for cash.

## **15. Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since 25 November 2012, being the date 24 months prior to the date of this Information Memorandum which are, or may be material:

- (a) An agreement dated 18 October 2013 between the Company and Grant Thornton under which Grant Thornton have agreed to act as the Company's financial adviser for the purposes of FSMA. This agreement contains indemnities given by the Company to Grant Thornton.
- (b) An agreement dated 18 August 2014 between the Company and Shoosmiths LLP under which Shoosmiths LLP have agreed to act as the Company's legal adviser for the purposes of the Offer.
- (c) An agreement dated 19 December 2013 between the Company and Asset Match Limited under which Asset Match Limited have agreed to provide the Company with a share trading facility which will become active on or around 31 January 2015.
- (d) An agreement dated 19 November 2014 between the Company and RAM Capital Partners LLP under which RAM Capital Partners LLP have agreed to act as the Company's promoter for the purposes of this Offer. This agreement contains provision that RAM Capital Partners LLP will be paid an amount equal to 1.75 per cent. (should the total amount received by the Company as a result of subscriptions for Ordinary Shares under the Offer be £1 million or less) or 2.25 per cent. (should the total amount received by the Company as a result subscriptions for Ordinary Shares under the Offer be more than £1,000,000 but less than £4,000,001) of the funds raised by the Company pursuant to the Offer.
- (e) An agreement dated 6 November 2014 between the Company and James Cowper LLP under which James Cowper LLP have agreed to act as reporting accountants to the Company for the purposes of this Offer.

- (f) An offer letter dated 1 July 2014 between Santander UK plc (the “**Bank**”) and the Company and accepted by the Company on 28 July 2014 under which the Bank agrees to provide the Company with an overdraft facility of up to £50,000 in return for security by way of a debenture over all of the property and undertaking of the Company. As at the date of this Information Memorandum the Company has not drawn down any monies under this facility.
- (g) The EMI Scheme.
- (h) The Brew Option Agreement.
- (i) The Brew Bonus Scheme.

## **16. Intellectual property**

- (a) The Company is a member of SIBA, the BFBI, the IGBD and SALSA and complies with all applicable brewing laws and beer duty regulations.
- (b) The Company has the following registered URLs:
  - wbbrew.com;
  - wbbrew.co.uk;
  - royalberkshirebrewery.com; and
  - royalberkshirebrewery.co.uk.
- (c) The Company has the following registered trademarks:
  - The West Berkshire Brewery; and
  - Good Old Boy.

## **17. Litigation**

The Company is not and has never been engaged in any governmental, legal or arbitration proceedings, which have had, are having or may have a significant effect on the financial position of the Company.

## **18. Significant change**

Save as otherwise disclosed in this Information Memorandum, there has been no material or significant change in the financial or trading position of the Company since 30 September 2014, being the date of the last audited interim accounts of the Company.

## **19. General**

- 19.1 Save as disclosed in this document there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company’s business. The business of the Company is the brewing and sale of beer.
- 19.2 Save as set out in Part 3 of this Information Memorandum, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company’s prospects in the period commencing on the date of this Information Memorandum.
- 19.3 The Ordinary Shares are in registered form.
- 19.4 There are no investments in progress by the Company which are significant to the Company.

- 19.5 The Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 19.6 Within this Information Memorandum, where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that party, no facts have been omitted which would render the produced information inaccurate or misleading.
- 19.7 Save to the extent described in paragraph 8 of this Part 8, the Company does not have any interest in any real property, nor any liability in relation to any real property. The Company operates from premises occupied under tenancy agreements.
- 19.8 Save as disclosed in this Information Memorandum, the Directors are not aware of any exceptional factors which have influenced the Company's recent activities.
- 19.9 Grant Thornton, acting as financial adviser to the Company, has given and has not withdrawn its written consent to the issue of this Information Memorandum with the inclusion in it of references to its name in the form and context in which it appears.
- 19.10 The Reduced Offer Price represents a premium of £2.80 on the nominal value of £0.10 of an Ordinary Share and the Offer Price represents a premium of £2.90 on such nominal value.

## **20. Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of Shoosmiths LLP, Apex Plaza, Forbury Road, Reading, Berkshire RG1 1SH until the closing of the Offer:

- (a) the memorandum of association and the Articles of the Company;
- (b) the clearance letter addressed to the Company from HMRC in relation to satisfaction of the conditions required to obtain EIS relief dated 6 November 2014; and
- (c) the report and accounts of the Company for the two years ended 31 March 2014 and the six months ended 30 September 2014.

Dated 26 November 2014

**APPENDIX: AUDITED ACCOUNTS OF THE COMPANY**

# The West Berkshire Brewery Company Ltd

Directors' Report and Financial Statements  
for the Period from 1 April 2014 to 30 September 2014

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## Company Information

<b>Directors</b>	Prof A E Baum Mrs K N C Baum Mr A D M Bruce Mr D Maggs Mrs H Maggs
<b>Registered office</b>	2 Old Bath Road Newbury Berkshire RG14 1QL
<b>Registrars</b>	Share Registrars Limited Suite E First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL
<b>Auditors</b>	Ross Brooke Limited Chartered Accountants and Registered Auditors 2 Old Bath Road Newbury Berkshire RG14 1QL

## **Directors' Report for the Period from 1 April 2014 to 30 September 2014**

The directors present their report and the financial statements for the period from 1 April 2014 to 30 September 2014.

### **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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

### **Directors of the company**

The directors who held office during the period were as follows:

Prof A E Baum  
Mrs K N C Baum  
Mr A D M Bruce  
Mr D Maggs  
Mrs H Maggs

### **Disclosure of information to the auditor**

Each director who held office at the date of approval of these financial statements confirms, so far as they are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 7 November 2014 and signed on its behalf by:

Mr D Maggs  
Director

## **Independent Auditor's Report to the Members of The West Berkshire Brewery Company Ltd**

We have audited the financial statements of The West Berkshire Brewery Company Ltd for the period from 1 April 2014 to 30 September 2014, set out on pages 63 to 69. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). 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 Statement of Directors' Responsibilities (set out on page 58), 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the 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 September 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **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; or

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Emily Ness ACA, Senior Statutory Auditor

For and on behalf of Ross Brooke Limited, Statutory Auditors

2 Old Bath Road  
Newbury  
Berkshire  
RG14 1QL

Date: 7 November 2014

**Profit and Loss Account for the Period from 1 April 2014 to 30 September 2014**

		<i>1 April 2014 to 30 September 2014</i>	<i>Year ended 31 March 2014</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Turnover		817,131	1,471,426
Cost of sales		(504,898)	(940,176)
Gross profit		312,233	531,250
Administrative expenses		(308,787)	(574,177)
Other operating income		1,667	3,333
Operating profit/(loss)	3	5,113	(39,594)
Other interest receivable and similar income		77	200
Interest payable and similar charges		(608)	(1,216)
Profit/(loss) on ordinary activities before taxation		4,582	(40,610)
Tax on profit/(loss) on ordinary activities	5	(1,308)	(7,515)
Profit/(loss) for the financial period	13	3,274	(48,125)

The notes on pages 63 to 69 form an integral part of these financial statements.

## Balance Sheet at 30 September 2014

Registration number: 03667842

	Note	30 September £ 2014	31 March £ 2014
<b>Fixed assets</b>			
Tangible fixed assets	6	370,904	385,946
Investments	7	1	—
		<u>370,905</u>	<u>385,946</u>
<b>Current assets</b>			
Stocks		145,518	128,573
Debtors	8	217,283	145,992
Cash at bank and in hand		46,331	98,438
		<u>409,132</u>	<u>373,003</u>
Creditors: Amounts falling due within one year	9	(255,421)	(230,942)
Net current assets		<u>153,711</u>	<u>142,061</u>
Total assets less current liabilities		524,616	528,007
Creditors: Amounts falling due after more than one year	10	(35,000)	(40,230)
Provisions for liabilities	11	(57,108)	(58,543)
Net assets		<u>432,508</u>	<u>429,234</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,900	1,900
Share premium account	13	22,683	22,683
Profit and loss account	13	407,925	404,651
Shareholders' funds		<u>432,508</u>	<u>429,234</u>

These financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 7 November 2014 and signed on its behalf by:

Mr A D M Bruce  
*Director*

Mr D Maggs  
*Director*

The notes on pages 63 to 69 form an integral part of these financial statements.

**Notes to the Financial Statements for the Period from 1 April 2014 to 30 September 2014**

**1 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous period, and also have been consistently applied within the same accounts.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

**Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of beer and other goods to customers.

**Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Improvements to property	Over Term of Lease
Computer equipment	25% on cost
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost
Plant and machinery	15% – 20% on cost
New Brewery Plant and Equipment	Over Term of Lease

**Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

**Stock**

Stock represents the value of the ingredients and packaging that remained unused at the balance sheet date together with the stock of finished, bottled or cask beer unsold at the year end.

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

**Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

### **Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

### **Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

## **2 Other income**

	<i>1 April 2014 to 30 September 2014</i>	<i>Year ended 31 March 2014</i>
	<i>£</i>	<i>£</i>
Other operating income	<u>1,667</u>	<u>3,333</u>

### 3 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	<i>1 April 2014 to 30 September 2014</i>	<i>Year ended 31 March 2014</i>
	<i>£</i>	<i>£</i>
Auditor's remuneration – The audit of the company's annual accounts	—	2,500
(Profit)/loss on sale of tangible fixed assets	(400)	5,914
Depreciation of tangible fixed assets	22,012	50,099
Government grants receivable	(1,667)	(3,333)
	<u>          </u>	<u>          </u>

### 4 Directors' remuneration

The directors' remuneration for the period was as follows:

	<i>1 April 2014 to 30 September 2014</i>	<i>Year ended 31 March 2014</i>
	<i>£</i>	<i>£</i>
Remuneration	62,500	123,020
Company contributions paid to money purchase schemes	1,401	2,511
	<u>          </u>	<u>          </u>

### 5 Taxation

Tax on profit/(loss) on ordinary activities

	<i>1 April 2014 to 30 September 2014</i>	<i>Year ended 31 March 2014</i>
	<i>£</i>	<i>£</i>
<b>Current tax</b>		
Corporation tax charge	2,743	12,416
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,435)	(4,901)
Total tax on profit/(loss) on ordinary activities	<u>          </u>	<u>          </u>

## 6 Tangible fixed assets

	<i>Improvements to property</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Computer equipment</i>	<i>New Brewery Plant &amp; Equipment</i>	<i>Total</i>
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2014	222,587	83,573	58,387	15,810	176,551	556,908
Additions	—	4,000	—	1,500	1,470	6,970
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2014	<u>222,587</u>	<u>87,573</u>	<u>58,387</u>	<u>17,310</u>	<u>178,021</u>	<u>563,878</u>
<b>Depreciation</b>						
At 1 April 2014	41,899	54,101	42,855	11,223	20,884	170,962
Charge for the period	7,529	5,975	3,818	1,045	3,645	22,012
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2014	<u>49,428</u>	<u>60,076</u>	<u>46,673</u>	<u>12,268</u>	<u>24,529</u>	<u>192,974</u>
<b>Net book value</b>						
At 30 September 2014	<u>173,159</u>	<u>27,497</u>	<u>11,714</u>	<u>5,042</u>	<u>153,492</u>	<u>370,904</u>
At 31 March 2014	<u>180,688</u>	<u>29,472</u>	<u>15,532</u>	<u>4,587</u>	<u>155,667</u>	<u>385,946</u>

### Leased assets

Included within the net book value of tangible fixed assets is £11,063 (2014 – £14,750) in respect of assets held under finance leases and similar hire purchase contracts.

Depreciation for the period on these assets was £3,688 (2014 – £7,375).

## 7 Investments held as fixed assets

	<i>30 September 2014</i>	<i>31 March 2014</i>
	£	£
Shares in group undertakings and participating interests	<u>1</u>	<u>—</u>

### Shares in group undertakings and participating interests

	<i>Subsidiary undertakings</i>	<i>Total</i>
	£	£
<b>Cost</b>		
Additions	1	1
	<hr/>	<hr/>
At 30 September 2014	<u>1</u>	<u>1</u>
<b>Net book value</b>		
At 30 September 2014	<u>1</u>	<u>1</u>

## Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Undertaking</i>	<i>Holding</i>	<i>rights and shares held Proportion of voting</i>	<i>Principal activity</i>
<b>Subsidiary undertakings</b>			
The Royal County of Berkshire Brewery Company Limited	Ordinary £1 shares	100%	Exporting of bottled beer

The financial period end of The Royal County of Berkshire Brewery Company Limited is 31 July. The profit for the financial period of The Royal County of Berkshire Brewery Company Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £1.

## 8 Debtors

	<i>30 September 2014</i>	<i>31 March 2014</i>
	<i>£</i>	<i>£</i>
Trade debtors	192,484	115,722
Other debtors	24,799	30,270
	<u>217,283</u>	<u>145,992</u>

## 9 Creditors: Amounts falling due within one year

	<i>30 September 2014</i>	<i>31 March 2014</i>
	<i>£</i>	<i>£</i>
Trade creditors	104,759	132,988
Obligations under finance lease and hire purchase contracts	7,838	8,550
Corporation tax	15,159	12,416
Other taxes and social security	101,445	58,571
Other creditors	26,220	18,417
	<u>255,421</u>	<u>230,942</u>

## 10 Creditors: Amounts falling due after more than one year

	<i>30 September 2014</i>	<i>31 March 2014</i>
	<i>£</i>	<i>£</i>
Obligations under finance lease and hire purchase contracts	—	3,563
Other creditors	35,000	36,667
	<u>35,000</u>	<u>40,230</u>

Included in the creditors are the following amounts due after more than five years:

	<i>30 September</i>	<i>31 March</i>	
	<i>2014</i>	<i>2014</i>	
	<i>£</i>	<i>£</i>	
After more than five years not by instalments	<u>35,000</u>	<u>36,667</u>	
<b>11 Provisions</b>			
	<i>Deferred tax</i>	<i>Total</i>	
	<i>£</i>	<i>£</i>	
At 1 April 2014	58,543	58,543	
Credited to the profit and loss account	(1,435)	(1,435)	
At 30 September 2014	<u>57,108</u>	<u>57,108</u>	
<b>Analysis of deferred tax</b>			
	<i>30 September</i>	<i>31 March</i>	
	<i>2014</i>	<i>2014</i>	
	<i>£</i>	<i>£</i>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>57,108</u>	<u>58,543</u>	
<b>12 Share capital</b>			
<b>Allotted, called up and fully paid shares</b>			
	<i>30 September 2014</i>	<i>31 March 2014</i>	
	<i>No.</i>	<i>No.</i>	
	<i>£</i>	<i>£</i>	
Ordinary of £0.10 each	<u>19,000</u>	<u>19,000</u>	
	<u>1,900</u>	<u>1,900</u>	
<b>13 Reserves</b>			
	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 April 2014	22,683	404,651	427,334
Profit for the period	—	3,274	3,274
At 30 September 2014	<u>22,683</u>	<u>407,925</u>	<u>430,608</u>
<b>14 Pension schemes</b>			
<b>Defined contribution pension scheme</b>			

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £1,401 (2014 – £2,511).

## 15 Commitments

### Operating lease commitments

As at 30 September 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<i>30 September</i> 2014 £	<i>31 March</i> 2014 £
Within one year	5,184	5,184
Within two and five years	7,440	—
Over five years	54,750	54,750
	<u>67,374</u>	<u>59,934</u>

## 16 Related party transactions

### Other related party transactions

During the period the company made the following related party transactions:

The Country Food and Dining Company Limited (Mr A D M Bruce is a director of both companies). During the period the company made sales totalling £11,511 to The Country Food and Dining Company Limited. At the balance sheet date the amount due from The Country Food and Dining Company Limited was £549 (2014 – £1,699).

Mr D & Mrs H Maggs (directors). During the period the directors had a loan account with the company. At the balance sheet date the amount due to Mr D & Mrs H Maggs was £5,000 (2014 – £1,010).

Brew Securities Limited (Mr A D M Bruce is a director of both companies). During the period the company received director's consultancy services totalling £12,500 from Brew Securities Limited and made sales to Brew Securities Limited totalling £70. At the balance sheet date the amount due to Brew Securities Limited was £2,416 (2014 – £2,500).

Andrew Baum and Company Limited (Prof A E & Mrs K N C Baum are directors of both companies). During the period the company was charged director's fees totalling £15,000 from Andrew Baum and Company Limited. At the balance sheet date the amount due to Andrew Baum and Company Limited was £9,000 (2014 – £9,037).

Maggs & Co Ltd (Mr D & Mrs H Maggs are directors of both companies). During the period the company was charged director's fees totalling £35,000 from Maggs & Co Ltd and reimbursed director's expenses totalling £369. The company made sales to Maggs & Co Ltd totalling £1,264. At the balance sheet date the amount due from/(to) Maggs & Co Ltd was £777 (2014 – £nil).

The Burlington Arms Pub Co Ltd (Mr A D M Bruce is a director of both companies). During the period the company made sales totalling £1,801 to The Burlington Arms Pub Co Ltd. At the balance sheet date the amount due from/(to) The Burlington Arms Pub Co Ltd was £102 (2014 – £nil).

## Detailed Profit and Loss Account for the Period from 1 April 2014 to 30 September 2014

	1 April 2014 to 30 September 2014		Year ended 31 March 2014	
	£	£	£	£
Turnover		817,131		1,471,426
Cost of sales		(504,898)		(940,176)
Gross profit		<u>312,233</u>		<u>531,250</u>
Gross profit (%)		38.21%		36.10%
<b>Administrative expenses</b>				
Employment costs	155,348		230,110	
Establishment costs	35,903		96,695	
General administrative expenses	91,375		183,262	
Finance charges	4,549		8,097	
Depreciation costs	21,612		56,013	
		<u>(308,787)</u>		<u>(574,177)</u>
Other operating income		1,667		3,333
Other interest receivable and similar income (analysed below)		77		200
Interest payable and similar charges (analysed below)		(608)		(1,216)
Profit/(loss) on ordinary activities before taxation		<u><u>4,582</u></u>		<u><u>(40,610)</u></u>

This page does not form part of the statutory financial statements

## Detailed Profit and Loss Account for the Period from 1 April 2014 to 30 September 2014

	<i>30 September</i> 2014 £	<i>31 March</i> 2014 £
<b>Turnover</b>		
Sales, UK	817,131	1,471,426
	<u>817,131</u>	<u>1,471,426</u>
<b>Cost of sales</b>		
Opening stock	128,573	96,642
Purchases	225,363	406,543
Closing stock	(145,518)	(128,573)
Wages and salaries	81,794	197,865
Staff NIC (Employers)	5,884	16,179
Excise Duty	193,529	313,225
Electricity and Water	15,273	38,295
	<u>504,898</u>	<u>940,176</u>
<b>Employment costs</b>		
Wages and salaries	63,533	83,682
Staff NIC (Employers)	5,184	7,573
Directors remuneration	62,500	123,020
Directors NIC (Employers)	—	5,338
Directors' pensions	1,401	2,511
Staff training	996	2,057
Recruitment Expenses	175	4,653
Outsourced sales	21,559	1,276
	<u>155,348</u>	<u>230,110</u>

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## Detailed Profit and Loss Account for the Period from 1 April 2014 to 30 September 2014

*continued*

	<i>30 September</i> 2014 £	<i>31 March</i> 2014 £
<b>Establishment costs</b>		
Rent and service charges	18,549	36,079
Rising Sun rent	—	21,945
Rates and water	7,572	15,779
Insurance	4,422	10,289
Repairs and renewals	5,360	12,603
	<u>35,903</u>	<u>96,695</u>
<b>General administrative expenses</b>		
Telephone	1,793	2,550
General office	2,745	5,110
Bookkeeping	3,808	6,251
Computer expenses	2,748	4,313
Rising Sun refurbishment materials & labour	—	296
Fundraising expenses	2,000	—
Trade subscriptions	350	1,550
Charitable donations	100	145
Sundry expenses	9,930	6,637
Accountancy fees	1,947	1,040
Auditor's remuneration – The audit of the company's annual accounts	—	2,500
Legal and professional fees	4,259	98,806
Motor and travel	18,053	29,471
Advertising	9,896	20,072
Marketing consultancy fees	19,732	2,942
Staff entertaining (allowable for tax)	94	370
Customer entertaining (disallowable for tax)	404	546
Bad debts written off	609	663
Rising Sun Expenses	12,907	—
	<u>91,375</u>	<u>183,262</u>

This page does not form part of the statutory financial statements

## Detailed Profit and Loss Account for the Period from 1 April 2014 to 30 September 2014

*continued*

	<i>30 September</i> 2014 £	<i>31 March</i> 2014 £
<b>Finance charges</b>		
Bank charges	4,549	7,630
Credit card charges	—	467
	<u>4,549</u>	<u>8,097</u>
<b>Depreciation costs</b>		
Depreciation of plant and machinery	5,975	13,789
Depreciation of fixtures and fittings	—	2,093
Depreciation of motor vehicles	3,818	8,135
Depreciation of computer equipment (owned)	1,045	3,525
Depreciation of improvements to property (owned)	7,529	15,057
Depreciation of new brewery plant and equipment	3,645	7,500
(Profit)/loss on disposal of tangible fixed assets	(400)	5,914
	<u>21,612</u>	<u>56,013</u>
<b>Other operating income</b>		
Government grants receivable	1,667	3,333
	<u>1,667</u>	<u>3,333</u>
<b>Other interest receivable and similar income</b>		
Bank interest receivable	77	200
	<u>77</u>	<u>200</u>
<b>Interest payable and similar charges</b>		
Hire purchase interest	608	1,216
	<u>608</u>	<u>1,216</u>

This page does not form part of the statutory financial statements

# The West Berkshire Brewery Company Ltd

Directors' Report and Financial Statements  
for the Year Ended 31 March 2014

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## Company Information

<b>Directors</b>	Prof A E Baum Mrs K N C Baum Mr A D M Bruce Mr D Maggs Mrs H Maggs
<b>Company secretary</b>	Mrs H Maggs
<b>Registered office</b>	2 Old Bath Road Newbury Berkshire RG14 1QL
<b>Registrars</b>	Share Registrars Limited Suite E First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL
<b>Auditors</b>	Ross Brooke Limited Chartered Accountants and Registered Auditors 2 Old Bath Road Newbury Berkshire RG14 1QL

## Chairman's Statement for the Year Ended 31 March 2014

As your new Chairman, I am delighted to present my inaugural Statement to my fellow shareholders.

Joining the Board only four days before the end of the previous financial year, I have spent since then mainly listening and learning how our Company has evolved during the past nineteen years since its incorporation in 1995.

Two principal tasks emerged during this process:

- Provide some capital reward for our four founding shareholders, all of whom are now in their 60's.
- Continue to increase sales of our wide range of award-winning beers through improved marketing and PR, in order to grow our market share and absorb spare production capacity.

### Financial Highlights

Turnover:	£1.47m	[2013: £1.21m]
Gross Profit:	£531k	[2013: £437k]
Loss for the financial year:	(£48k)	[2013: (£21k)]

Initially, the financial results may seem to be disappointing. However, in addition to the Notes to the Financial Statements, I would like to draw your attention to:

- The core Brewery business saw revenue and gross profit increase significantly (23% and 22% respectively) on the previous year.
- On 25th February 2014 we decided to stem the continuing losses at the only pub operated by the Company, The Rising Sun at Stockcross. This leasehold business contributed a net loss of £56k during the financial year.
- One-off legal and professional fees connected specifically with the sale of some of the founders' equity were £96.8k.
- Corporation Tax payable for the year is £12.4k [2013: nil].

### Executive Team

I am fortunate to have inherited a dedicated and competent Executive Team comprising:

- Will Twomey – Head Brewer
- Tom Lucas – Finance
- James Tomlinson – Sales
- Vicky Mills – Marketing

I have worked closely with them in focussing on promoting sales in an increasingly competitive market – well over 100 new breweries started in the UK during 2013!

As part of their incentivisation, each member of the Executive Team now holds Share Options in our Company.

### Offer for Sale of Ordinary Shares in the Company

On 30th December 2013 an Information Memorandum was launched in order to help widen the ownership of shares in our Company.

Since first deciding to reduce their shareholdings, the four founding shareholders have raised £1.234m from 278 new shareholders. As a result of this process the equity of our Company is currently held as follows:

- New shareholders 34.31%
- Dave & Helen Maggs 19.47%
- Andy & Karen Baum 19.47%
- Jos Short 16.67%
- David Bruce 8.76%
- Staff 1.32%

---

Total 100.00%

**Current Trading**

Since the start of the new financial year, I am pleased to report that our like-for-like sales for the first quarter ending June 2014 have increased:

- Cask Beers +20%
- Bottled Beers +59%
- Total Sales +28%

**AGM**

The AGM will be held at 11 am on Saturday 4th October 2014 at The Brewery, followed by brewery tours and refreshments.

I do hope you will be able to join us for what promises to be an interesting and enjoyable occasion and please let Vicky Mills ([vicky.mills@wbbrew.co.uk](mailto:vicky.mills@wbbrew.co.uk)) know if you are attending.

David Bruce  
Chairman

## **Directors' Report for the Year Ended 31 March 2014**

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

### **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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

### **Directors of the company**

The directors who held office during the year were as follows:

Prof A E Baum  
Mrs K N C Baum  
Mr A D M Bruce  
Mr D Maggs  
Mrs H Maggs

### **Disclosure of information to the auditor**

Each director who held office at the date of approval of these financial statements confirms, so far as they are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 4 September 2014 and signed on its behalf by:

Mr D Maggs  
Director

## **Independent Auditor's Report to the Members of The West Berkshire Brewery Company Ltd**

We have audited the financial statements of The West Berkshire Brewery Company Ltd for the year ended 31 March 2014, set out on pages 80 to 81. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Statement of Directors' Responsibilities (set out on page 77), 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the 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 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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; or

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Emily Ness ACA, Senior Statutory Auditor

For and on behalf of Ross Brooke Limited, Statutory Auditors

2 Old Bath Road  
Newbury  
Berkshire  
RG14 1QL

11 September 2014

## Profit and Loss Account for the Year Ended 31 March 2014

		£	£
	<i>Note</i>	<i>2014</i>	<i>2013</i>
Turnover		1,471,426	1,210,987
Cost of sales		<u>(940,176)</u>	<u>(774,291)</u>
Gross profit		531,250	436,696
Administrative expenses		(574,177)	(447,079)
Other operating income		<u>3,333</u>	<u>3,167</u>
Operating loss	3	(39,594)	(7,216)
Other interest receivable and similar income		200	258
Interest payable and similar charges		<u>(1,216)</u>	<u>(909)</u>
Loss on ordinary activities before taxation		(40,610)	(7,867)
Tax on loss on ordinary activities	5	<u>(7,515)</u>	<u>(13,208)</u>
Loss for the financial year	13	<u><u>(48,125)</u></u>	<u><u>(21,075)</u></u>

The notes on pages 82 to 87 form an integral part of these financial statements.

## Balance Sheet at 31 March 2014

Registration number: 03667842

	Note	£ 2014	£ 2013
<b>Fixed assets</b>			
Tangible fixed assets	6	<u>385,946</u>	<u>428,968</u>
<b>Current assets</b>			
Stocks		128,573	96,642
Debtors	7	145,992	116,702
Cash at bank and in hand		<u>98,438</u>	<u>125,071</u>
		373,003	338,415
Creditors: Amounts falling due within one year	8	<u>(230,942)</u>	<u>(173,301)</u>
Net current assets		<u>142,061</u>	<u>165,114</u>
Total assets less current liabilities		528,007	594,082
Creditors: Amounts falling due after more than one year	9	(40,230)	(53,279)
Provisions for liabilities	10	<u>(58,543)</u>	<u>(63,444)</u>
Net assets		<u><u>429,234</u></u>	<u><u>477,359</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	1,900	1,900
Share premium account	13	22,683	22,683
Profit and loss account	13	<u>404,651</u>	<u>452,776</u>
Shareholders' funds		<u><u>429,234</u></u>	<u><u>477,359</u></u>

These financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved and authorised for issue by the Board on 4 September 2014 and signed on its behalf by:

Mr A D M Bruce  
Director

Mr D Maggs  
Director

The notes on pages 82 to 87 form an integral part of these financial statements.

## Notes to the Financial Statements for the Year Ended 31 March 2014

### 1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous period, and also have been consistently applied within the same accounts.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

#### Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of beer and other goods to customers.

#### Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

#### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Improvements to property	Over Term of Lease
Computer equipment	25% on cost
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost
Plant and machinery	15% – 20% on cost
New Brewery Plant and Equipment	Over Term of Lease

#### Stock

Stock represents the value of the ingredients and packaging that remained unused at the balance sheet date together with the stock of finished, bottled or cask beer unsold at the year end.

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

### Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

### Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

## 2 Other income

	2014	2013
	£	£
Other operating income	3,333	3,167

## 3 Operating loss

Operating loss is stated after charging:

	2014	2013
	£	£
Auditor's remuneration – The audit of the company's annual accounts	2,500	2,500
Loss on sale of tangible fixed assets	5,914	—
Depreciation of tangible fixed assets	50,099	54,707
Government grants receivable	(3,333)	(3,167)

#### 4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014	2013
	£	£
Remuneration	123,020	82,250
Company contributions paid to money purchase schemes	2,511	1,429
	<u>125,531</u>	<u>83,679</u>

#### 5 Taxation

##### Tax on loss on ordinary activities

	2014	2013
	£	£
<b>Current tax</b>		
Corporation tax charge	12,416	—
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,901)	13,208
Total tax on loss on ordinary activities	<u>7,515</u>	<u>13,208</u>

#### 6 Tangible fixed assets

	<i>Improvements to property</i>	<i>Plant and machinery</i>	<i>Fixtures and fittings</i>	<i>Motor vehicles</i>	<i>Computer equipment</i>	<i>New Brewery Plant &amp; Equipment</i>	<i>Total</i>
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
At 1 April 2013	222,587	81,373	16,203	59,525	12,942	170,384	563,014
Additions	—	2,200	922	1,042	3,058	6,167	13,389
Disposals	—	—	(17,125)	(2,180)	(190)	—	(19,495)
At 31 March 2014	<u>222,587</u>	<u>83,573</u>	<u>—</u>	<u>58,387</u>	<u>15,810</u>	<u>176,551</u>	<u>556,908</u>
<b>Depreciation</b>							
At 1 April 2013	26,842	40,312	8,812	36,855	7,841	13,384	134,046
Charge for the year	15,057	13,789	2,093	8,135	3,525	7,500	50,099
Eliminated on disposals	—	—	(10,905)	(2,135)	(143)	—	(13,183)
At 31 March 2014	<u>41,899</u>	<u>54,101</u>	<u>—</u>	<u>42,855</u>	<u>11,223</u>	<u>20,884</u>	<u>170,962</u>
<b>Net book value</b>							
At 31 March 2014	<u>180,688</u>	<u>29,472</u>	<u>—</u>	<u>15,532</u>	<u>4,587</u>	<u>155,667</u>	<u>385,946</u>
At 31 March 2013	<u>195,745</u>	<u>41,061</u>	<u>7,391</u>	<u>22,670</u>	<u>5,101</u>	<u>157,000</u>	<u>428,968</u>

##### Leased assets

Included within the net book value of tangible fixed assets is £14,750 (2013 – £22,125) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £7,375 (2013 – £7,375).

**7 Debtors**

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Trade debtors	115,722	84,970
Other debtors	30,270	31,732
	<u>145,992</u>	<u>116,702</u>

**8 Creditors: Amounts falling due within one year**

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Trade creditors	132,988	83,453
Obligations under finance lease and hire purchase contracts	8,550	8,550
Corporation tax	12,416	—
Other taxes and social security	58,571	66,547
Other creditors	18,417	14,751
	<u>230,942</u>	<u>173,301</u>

**9 Creditors: Amounts falling due after more than one year**

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Obligations under finance lease and hire purchase contracts	3,563	12,113
Other creditors	36,667	41,166
	<u>40,230</u>	<u>53,279</u>

Included in the creditors are the following amounts due after more than five years:

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
After more than five years not by instalments	<u>36,667</u>	<u>41,166</u>

**10 Provisions**

	<i>Deferred tax</i>	<i>Total</i>
	<i>£</i>	<i>£</i>
At 1 April 2013	63,444	63,444
Credited to the profit and loss account	(4,901)	(4,901)
At 31 March 2014	<u>58,543</u>	<u>58,543</u>

**Analysis of deferred tax**

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Difference between accumulated depreciation and amortisation and capital allowances	<u>58,543</u>	<u>63,444</u>

## 11 Share capital

### Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary of £0.10 each	<u>19,000</u>	<u>1,900</u>	<u>19,000</u>	<u>1,900</u>

## 12 Dividends

	2014	2013
	£	£
<b>Dividends paid</b>		
Current year interim dividend paid	<u>—</u>	<u>17,867</u>

## 13 Reserves

	Share premium account	Profit and loss account	Total
	£	£	£
At 1 April 2013	22,683	452,776	475,459
Loss for the year	—	(48,125)	(48,125)
At 31 March 2014	<u>22,683</u>	<u>404,651</u>	<u>427,334</u>

## 14 Pension schemes

### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £2,511 (2013 – £1,429).

## 15 Commitments

### Operating lease commitments

As at 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014	2013
	£	£
Within one year	5,184	5,184
Over five years	54,750	53,729
	<u>59,934</u>	<u>58,913</u>

## 16 Related party transactions

### Other related party transactions

During the year the company made the following related party transactions:

The Country Food and Dining Company Limited (Mr A D M Bruce is a director of both companies). During the year the company made sales totalling £5,792 to The Country Food

and Dining Company Limited. At the balance sheet date the amount due from The Country Food and Dining Company Limited was £1,699 (2013 -£442).

Mr D & Mrs H Maggs (directors). During the year the directors had a loan account with the company. At the balance sheet date the amount due to Mr D & Mrs H Maggs was £1,010 (2013 – £1,198).

Brew Securities Limited (Mr A D M Bruce is a director of both companies). During the year the company received director's consultancy services totalling £25,000 from Brew Securities Limited and reimbursed director's expenses totalling £437. At the balance sheet date the amount due to Brew Securities Limited was £2,500 (2013 – £nil).

Andrew Baum and Company Limited (Prof A E & Mrs K N C Baum are directors of both companies). During the year the company was charged director's fees totalling £18,750 from Andrew Baum and Company Limited and reimbursed director's expenses totalling £74. At the balance sheet date the amount due to Andrew Baum and Company Limited was £9,037 (2013 – £nil).

Maggs & Co Ltd (Mr D & Mrs H Maggs are directors of both companies). During the year the company was charged director's fees totalling £17,500 from Maggs & Co Ltd and reimbursed director's expenses totalling £180. At the balance sheet date the amount due to Maggs & Co Ltd was £nil (2013 – £nil).

The Burlington Arms Pub Co Ltd (Mr A D M Bruce is a director of both companies). During the year the company made sales totalling £1,547 to The Burlington Arms Pub Co Ltd. At the balance sheet date the amount due to The Burlington Arms Pub Co Ltd was £nil (2013 – £nil).

The City Pub Company (West) PLC (Mr A D M Bruce is a director of both companies). During the year the company made purchases totalling £180 from The City Pub Company (West) PLC. At the balance sheet date the amount due to The City Pub Company (West) PLC was £nil (2013 – £nil).

### Dividends

During the period dividends totalling £nil (2013: £17,867) were paid to the directors Mr D Maggs, Mrs H Maggs, Prof A E Baum and Mrs K N C Baum.

### Cost Centre Summary

	£	£
	<i>Brewery</i>	<i>Public House</i>
Turnover	1,341,352	130,074
Cost of sales	(795,905)	(144,271)
Gross profit/(loss)	545,447	(14,197)
Administrative expenses	(531,412)	(42,765)
Other operating income	3,333	—
Operating profit/(loss)	17,368	(56,962)
Other interest receivable and similar income	200	—
Interest payable and similar charges	(1,216)	—
Profit/(loss) on ordinary activities before taxation	16,352	(56,962)
Tax on loss on ordinary activities	(7,515)	—
Profit/(loss) for the financial year	<u>8,837</u>	<u>(56,962)</u>

This page does not form part of the statutory financial statements

## Detailed Profit and Loss Account for the Year Ended 31 March 2014

	2014		2013	
	£	£	£	£
Turnover		1,471,426		1,210,987
Cost of sales		(940,176)		(774,291)
Gross profit		<u>531,250</u>		<u>436,696</u>
Gross profit (%)		36.10%		36.06%
<b>Administrative expenses</b>				
Employment costs	230,110		151,761	
Establishment costs	96,695		100,286	
General administrative expenses	183,262		133,350	
Finance charges	8,097		6,975	
Depreciation costs	56,013		54,707	
		<u>(574,177)</u>		<u>(447,079)</u>
Other operating income		3,333		3,167
Other interest receivable and similar income (analysed below)		200		258
Interest payable and similar charges (analysed below)		(1,216)		(909)
Loss on ordinary activities before taxation		<u>(40,610)</u>		<u>(7,867)</u>

This page does not form part of the statutory financial statements

## Detailed Profit and Loss Account for the Year Ended 31 March 2014

	2014 £	2013 £
<b>Turnover</b>		
Sales, UK	1,471,426	1,210,987
	<u>1,471,426</u>	<u>1,210,987</u>
<b>Cost of sales</b>		
Opening stock	96,642	93,231
Purchases	406,543	304,872
Closing stock	(128,573)	(96,642)
Wages and salaries	197,865	176,845
Staff NIC (Employers)	16,179	16,267
Excise Duty	313,225	251,691
Electricity and Water	38,295	28,027
	<u>940,176</u>	<u>774,291</u>
<b>Employment costs</b>		
Wages and salaries	83,682	51,268
Staff NIC (Employers)	7,573	5,371
Directors remuneration	123,020	82,250
Directors NIC (Employers)	5,338	8,250
Directors' pensions	2,511	1,429
Staff training	2,057	2,236
Recruitment Expenses	4,653	957
Outsourced sales	1,276	—
	<u>230,110</u>	<u>151,761</u>
<b>Establishment costs</b>		
Rent and service charges	36,079	34,694
Rising Sun rent	21,945	21,590
Rates and water	15,779	14,583
Insurance	10,289	9,699
Repairs and renewals	12,603	19,720
	<u>96,695</u>	<u>100,286</u>

This page does not form part of the statutory financial statements

## Detailed Profit and Loss Account for the Year Ended 31 March 2014

	2014	2013
	£	£
<b>General administrative expenses</b>		
Telephone	2,550	3,372
General office	5,110	1,984
Bookkeeping	6,251	8,767
Computer expenses	4,313	3,286
Rising Sun refurbishment materials & labour	296	24,595
Trade subscriptions	1,550	1,807
Charitable donations	145	—
Sundry expenses	6,637	8,879
Accountancy fees	1,040	347
Auditor's remuneration – The audit of the company's annual accounts	2,500	2,500
Legal and professional fees	98,806	10,866
Motor and travel	29,471	26,734
Advertising	20,072	11,674
Marketing consultancy fees	2,942	27,280
Staff entertaining (allowable for tax)	370	844
Customer entertaining (disallowable for tax)	546	29
Bad debts written off	663	386
	<u>183,262</u>	<u>133,350</u>
<b>Finance charges</b>		
Bank charges and interest	7,630	6,631
Credit card charges	467	344
	<u>8,097</u>	<u>6,975</u>

This page does not form part of the statutory financial statements

## Detailed Profit and Loss Account for the Year Ended 31 March 2014

	2014	2013
	£	£
<b>Depreciation costs</b>		
Depreciation of plant and machinery	13,789	15,540
Depreciation of fixtures and fittings	2,093	3,240
Depreciation of motor vehicles	8,135	11,317
Depreciation of computer equipment (owned)	3,525	2,860
Depreciation of improvements to property (owned)	15,057	15,058
Depreciation of new brewery plant and equipment	7,500	6,692
(Profit)/loss on disposal of tangible fixed assets	5,914	—
	<u>56,013</u>	<u>54,707</u>
<b>Other operating income</b>		
Government grants receivable	3,333	3,167
	<u>3,333</u>	<u>3,167</u>
<b>Other interest receivable and similar income</b>		
Bank interest receivable	200	258
	<u>200</u>	<u>258</u>
<b>Interest payable and similar charges</b>		
Hire purchase interest	1,216	909
	<u>1,216</u>	<u>909</u>

This page does not form part of the statutory financial statements

# The West Berkshire Brewery Company Ltd

Directors' Report and Financial Statements  
for the Year Ended 31 March 2013

## Contents

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## Company Information

<b>Directors</b>	Mrs K N C Baum Mr D Maggs Mrs H Maggs Mr A D M Bruce Dr A E Baum
<b>Company secretary</b>	Mrs H Maggs
<b>Registered office</b>	2 Old Bath Road Newbury Berkshire RG14 1QL
<b>Auditors</b>	Ross Brooke Limited Chartered Accountants and Registered Auditors 2 Old Bath Road Newbury Berkshire RG14 1QL

## **Directors' Report for the Year Ended 31 March 2013**

The directors present their report and the financial statements for the year ended 31 March 2013.

### **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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

### **Directors of the company**

The directors who held office during the year were as follows:

Mrs K N C Baum  
Mr D Maggs  
Mrs H Maggs  
Mr A D M Bruce (appointed 28 March 2013)  
Dr A E Baum

### **Principal activity**

The principal activity of the company is that of brewery and the operation of a public house.

### **Disclosure of information to the auditors**

Each director who held office at the date of approval of these financial statements confirms, so far as they are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 22 November 2013 and signed on its behalf by:

Mr D Maggs  
Director

## **Independent Auditor's Report to the Members of The West Berkshire Brewery Company Ltd**

We have audited the financial statements of The West Berkshire Brewery Company Ltd for the year ended 31 March 2013, set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Statement of Directors' Responsibilities (set out on page 2), 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Basis for qualified opinion on financial statements**

With respect to stock having a carrying amount of £96,642 the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2013, since that date was prior to our appointment as auditor of the company. Due to this, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

### **Qualified opinion on the financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.

Ross Brooke Limited, Statutory Auditors

Michael Brooke FCA, Senior Statutory Auditor  
For and on behalf of Ross Brooke Limited

2 Old Bath Road  
Newbury  
Berkshire  
RG14 1QL

Date: 25 November 2013

## Profit and Loss Account for the Year Ended 31 March 2013

	Note	£ 2013	£ 2012
Turnover		1,210,987	1,154,290
Cost of sales		(774,291)	(693,650)
Gross profit		436,696	460,640
Administrative expenses		(447,079)	(293,838)
Other operating income		3,167	—
Operating (loss)/profit	3	(7,216)	166,802
Other interest receivable and similar income		258	294
Interest payable and similar charges		(909)	—
(Loss)/profit on ordinary activities before taxation		(7,867)	167,096
Tax on (loss)/profit on ordinary activities	5	(13,208)	(56,794)
(Loss)/profit for the financial year	13	<u>(21,075)</u>	<u>110,302</u>

The notes on pages 97 to 101 form an integral part of these financial statements.

## Balance Sheet at 31 March 2013

Registration number: 03667842

	Note	£ 2013	£ 2012
<b>Fixed assets</b>			
Tangible fixed assets	6	<u>428,968</u>	<u>375,375</u>
<b>Current assets</b>			
Stocks		96,642	93,231
Debtors	7	116,702	105,234
Cash at bank and in hand		<u>125,071</u>	<u>152,372</u>
		338,415	350,837
Creditors: Amounts falling due within one year	8	<u>(173,301)</u>	<u>(159,675)</u>
Net current assets		<u>165,114</u>	<u>191,162</u>
Total assets less current liabilities		594,082	566,537
Creditors: Amounts falling due after more than one year	9	(53,279)	—
Provisions for liabilities	10	<u>(63,444)</u>	<u>(50,236)</u>
Net assets		<u>477,359</u>	<u>516,301</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,900	1,900
Share premium account	13	22,683	22,683
Profit and loss account	13	<u>452,776</u>	<u>491,718</u>
Shareholders' funds		<u>477,359</u>	<u>516,301</u>

These financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved and authorised for issue by the Board on 22 November 2013 and signed on its behalf by:

Mr D Maggs  
Director

Mr A D M Bruce  
Director

The notes on pages 97 to 101 form an integral part of these financial statements.

**Notes to the Financial Statements for the Year Ended 31 March 2013**

**1 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous period, and also have been consistently applied within the same accounts.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

**Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of beer and other goods to customers.

**Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Long leasehold	Over term of lease
Improvements to property	Over term of lease
Computer equipment	25% on cost
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost
Plant and machinery	15% – 20% on cost
New brewery plant and equipment	Over term of lease

**Stock**

Stock represents the value of the ingredients and packaging that remained unused at the balance sheet date together with the stock of finished, bottled or cask beer unsold at the year end.

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

**Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

### Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

### Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

## 2 Other income

	2013	2012
	£	£
Other operating income	3,167	—

## 3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2013	2012
	£	£
Auditor's remuneration – The audit of the company's annual accounts	2,500	—
Profit on sale of tangible fixed assets	—	(67,269)
Depreciation of tangible fixed assets	54,707	82,781
Government grants receivable	(3,167)	—

## 4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2013	2012
	£	£
Remuneration	82,250	50,896
Company contributions paid to money purchase schemes	1,429	3,749

## 5 Taxation

Tax on (loss)/profit on ordinary activities

	2013	2012
	£	£
<b>Current tax</b>		
Corporation tax charge	—	9,075
<b>Deferred tax</b>		
Origination and reversal of timing differences	13,208	47,719
Total tax on (loss)/profit on ordinary activities	<u>13,208</u>	<u>56,794</u>

## 6 Tangible fixed assets

	<i>Long leasehold</i>	<i>Improvements to property</i>	<i>Plant and machinery</i>	<i>Fixtures and fittings</i>	<i>Motor vehicles</i>	<i>Computer equipment</i>	<i>New Brewery Plant and equipment</i>	<i>Total</i>
	£	£	£	£	£	£	£	£
<b>Cost or valuation</b>								
At 1 April 2012	52,088	176,764	337,304	9,580	30,025	11,558	—	617,319
Additions	—	45,823	22,875	6,623	29,500	3,479	—	108,300
Disposals	(52,088)	—	(108,422)	—	—	(2,095)	—	(162,605)
Reclassification/transfer	—	—	(170,384)	—	—	—	170,384	—
At 31 March 2013	<u>—</u>	<u>222,587</u>	<u>81,373</u>	<u>16,203</u>	<u>59,525</u>	<u>12,942</u>	<u>170,384</u>	<u>563,014</u>
<b>Depreciation</b>								
At 1 April 2012	52,088	11,784	139,886	5,572	25,538	7,076	—	241,944
Charge for the year	—	15,058	15,540	3,240	11,317	2,860	6,692	54,707
Eliminated on disposals	(52,088)	—	(108,422)	—	—	(2,095)	—	(162,605)
Reclassification/transfer	—	—	(6,692)	—	—	—	6,692	—
At 31 March 2013	<u>—</u>	<u>26,842</u>	<u>40,312</u>	<u>8,812</u>	<u>36,855</u>	<u>7,841</u>	<u>13,384</u>	<u>134,046</u>
<b>Net book value</b>								
At 31 March 2013	<u>—</u>	<u>195,745</u>	<u>41,061</u>	<u>7,391</u>	<u>22,670</u>	<u>5,101</u>	<u>157,000</u>	<u>428,968</u>
At 31 March 2012	<u>—</u>	<u>164,980</u>	<u>197,418</u>	<u>4,008</u>	<u>4,487</u>	<u>4,482</u>	<u>—</u>	<u>375,375</u>

### Leased assets

Included within the net book value of tangible fixed assets is £22,125 (2012 – £nil) in respect of assets held under finance leases and similar hire purchase contracts.

Depreciation for the year on these assets was £7,375 (2012 – £nil).

## 7 Debtors

	2013	2012
	£	£
Trade debtors	84,970	71,335
Other debtors	31,732	33,899
	<u>116,702</u>	<u>105,234</u>

**8 Creditors: Amounts falling due within one year**

	2013	2012
	£	£
Trade creditors	83,453	62,837
Obligations under finance lease and hire purchase contracts	8,550	—
Corporation tax	—	9,075
Other taxes and social security	46,255	36,408
Other creditors	35,043	51,355
	<u>173,301</u>	<u>159,675</u>

**9 Creditors: Amounts falling due after more than one year**

	2013	2012
	£	£
Obligations under finance lease and hire purchase contracts	12,113	—
Other creditors	41,166	—
	<u>53,279</u>	<u>—</u>

Included in the creditors are the following amounts due after more than five years:

	2013	2012
	£	£
After more than five years not by instalments	<u>41,166</u>	<u>—</u>

**10 Provisions**

	<i>Deferred tax</i>	<i>Total</i>
	£	£
At 1 April 2012	50,236	50,236
Charged to the profit and loss account	13,208	13,208
At 31 March 2013	<u>63,444</u>	<u>63,444</u>

**Analysis of deferred tax**

	2013	2012
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	<u>63,444</u>	<u>50,236</u>

**11 Share capital****Allotted, called up and fully paid shares**

	2013		2012	
	No.	£	No.	£
Ordinary of £0.10 each	<u>19,000</u>	<u>1,900</u>	<u>19,000</u>	<u>1,900</u>

**12 Dividends**

	2013	2012
	£	£
<b>Dividends paid</b>		
Current year interim dividend paid	<u>17,867</u>	<u>17,867</u>

### 13 Reserves

	<i>Share premium account £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 April 2012	22,683	491,718	514,401
Loss for the year	—	(21,075)	(21,075)
Dividends	—	(17,867)	(17,867)
At 31 March 2013	<u>22,683</u>	<u>452,776</u>	<u>475,459</u>

### 14 Pension schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,429 (2012 – £3,749).

### 15 Commitments

#### Operating lease commitments

As at 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<i>2013 £</i>	<i>2012 £</i>
Within one year	5,184	1,406
Within two and five years	—	1,440
Over five years	53,729	52,458
	<u>58,913</u>	<u>55,304</u>

### 16 Related party transactions

#### Other related party transactions

During the year the company made the following related party transactions:

The Country Food and Dining Company Limited (Mr A D M Bruce is a director of both companies).

During the year The West Berkshire Brewery Company Ltd made sales totalling £4,354 to The Country Food and Dining Company Limited. At the balance sheet date the amount due from The Country Food and Dining Company Limited was £442 (2012 – £239).

#### Dividends

During the period dividends totalling £17,867 (2012: £17,867) were paid to the directors Mr D Maggs, Mrs H Maggs, Dr A E Baum and Mrs K N C Baum.

### 17 Control

The company is controlled by Mr D Maggs and Mrs H Maggs, both directors, due to their control of 75% of the issued share capital of the company.

### Profit and Loss Account for the Year Ended 31 March 2013

<i>Cost Centre Summary</i>	£	
	<i>Brewery</i>	<i>Public House</i>
Turnover	1,085,882	125,105
Cost of sales	(639,187)	(135,104)
Gross profit/(loss)	446,695	(9,999)
Administrative expenses	(386,620)	(60,459)
Other operating income	3,167	—
Operating profit/(loss)	63,242	(70,458)
Other interest receivable and similar income	258	—
Interest payable and similar charges	(909)	—
Profit/(loss) on ordinary activities before taxation	62,591	(70,458)
Tax on (loss)/profit on ordinary activities	(13,208)	—
Profit/(loss) for the financial year	<u>49,383</u>	<u>(70,458)</u>

### Profit and Loss Account for the Year Ended 31 March 2013

	2013		2012	
	£	£	£	£
Turnover	1,210,987		1,154,290	
Cost of sales	(774,291)		(693,650)	
Gross profit	436,696		460,640	
Gross profit (%)	36.06%		39.91%	
<b>Administrative expenses</b>				
Employment costs	151,761		107,287	
Establishment costs	100,286		85,776	
General administrative expenses	133,350		79,308	
Finance charges	6,975		5,955	
Depreciation costs	54,707		15,512	
		(447,079)		(293,838)
Other operating income		3,167		—
Other interest receivable and similar income (analysed below)		258		294
Interest payable and similar charges (analysed below)		(909)		—
(Loss)/profit on ordinary activities before taxation		<u>(7,867)</u>		<u>167,096</u>

## Detailed Profit and Loss Account for the Year Ended 31 March 2013

	2013	2012
	£	£
<b>Turnover</b>		
Sales, UK	1,210,987	1,154,290
	<u>1,210,987</u>	<u>1,154,290</u>
<b>Cost of sales</b>		
Opening stock	93,231	65,550
Purchases	304,872	302,930
Closing stock	(96,642)	(93,231)
Wages and salaries	176,845	163,988
Staff NIC (Employers)	16,267	14,695
Excise duty	251,691	211,233
Electricity and water	28,027	28,485
	<u>774,291</u>	<u>693,650</u>
<b>Employment costs</b>		
Wages and salaries	51,268	40,212
Staff NIC (Employers)	5,371	4,168
Directors' remuneration	82,250	50,896
Directors' NIC (Employers)	8,250	4,909
Directors' pensions	1,429	3,749
Staff training	2,236	3,353
Recruitment expenses	957	—
	<u>151,761</u>	<u>107,287</u>

## Detailed Profit and Loss Account for the Year Ended 31 March 2013

	2013	2012
	£	£
<b>Establishment costs</b>		
Rent and service charges	34,694	30,925
Rising Sun rent	21,590	21,189
Rates and water	14,583	5,782
Insurance	9,699	9,719
Repairs and renewals	19,720	18,161
	<u>100,286</u>	<u>85,776</u>
<b>General administrative expenses</b>		
Telephone	3,372	2,975
General office	1,984	2,583
Bookkeeping	8,767	9,565
Computer expenses	3,286	4,895
Rising Sun refurbishment materials & labour	24,595	—
Trade subscriptions	1,807	1,664
Sundry expenses	8,879	3,151
Accountancy fees	347	5,417
Auditor's remuneration – The audit of the company's annual accounts	2,500	—
Legal and professional fees	10,866	9,189
Motor and travel	26,734	20,990
Advertising	11,674	13,331
Marketing consultancy fees	27,280	—
Staff entertaining (allowable for tax)	844	1,208
Customer entertaining (disallowable for tax)	29	431
Bad debts written off	386	3,909
	<u>133,350</u>	<u>79,308</u>

## Detailed Profit and Loss Account for the Year Ended 31 March 2013

	2013	2012
	£	£
<b>Finance charges</b>		
Bank charges and interest	6,631	5,924
Credit card charges	344	31
	<u>6,975</u>	<u>5,955</u>
<b>Depreciation costs</b>		
Depreciation of long leasehold property	—	51,371
Depreciation of plant and machinery	15,540	22,313
Depreciation of fixtures and fittings	3,240	2,249
Depreciation of motor vehicles	11,317	3,944
Depreciation of computer equipment (owned)	2,860	2,904
Depreciation of improvements to property (owned)	15,058	—
Depreciation of new brewery plant and equipment	6,692	—
(Profit)/loss on disposal of tangible fixed assets	—	(67,269)
	<u>54,707</u>	<u>15,512</u>
<b>Other operating income</b>		
Government grants receivable	3,167	—
	<u>3,167</u>	<u>—</u>
<b>Other interest receivable and similar income</b>		
Bank interest receivable	258	294
	<u>258</u>	<u>294</u>
<b>Interest payable and similar charges</b>		
Hire purchase interest	909	—
	<u>909</u>	<u>—</u>

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# WEST BERKSHIRE BREWERY



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