

**THE WEST BERKSHIRE BREWERY PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

**THE WEST BERKSHIRE BREWERY PLC**

**COMPANY INFORMATION**

|                             |  |
|-----------------------------|--|
| <b>Directors</b>            | Mr A D M Bruce (Chairman)<br>Mr S J Lewis (resigned 10 November 2017)<br>Mr T A R Lucas ACCA<br>Mr S G Robertson-Macleod<br>Mr C R Watson ACA (resigned 17 November 2017)<br>Mr A W Dickson (appointed 30 July 2018)<br>Mrs S Mckenzie Straughan (appointed 1 August 2018) |
| <b>Company secretary</b>    | Mr T A R Lucas ACCA  |
| <b>Registered number</b>    | 03667842   |
| <b>Registered office</b>    | 8th Floor Reading Bridge House<br>George Street<br>Reading<br>Berkshire<br>RG1 8LS   |
| <b>Independent auditors</b> | James Cowper Kreston<br>Chartered Accountants and Statutory Auditor<br>Reading Bridge House<br>George Street<br>Reading<br>Berkshire<br>RG1 8LS  |
| <b>Registrars</b>           | Share Registrars Limited<br>Suite E<br>First Floor<br>9 Lion & Lamb Yard<br>Farnham<br>Surrey<br>GU9 7LL   |
| <b>Solicitors</b>           | Addleshaw Goddard<br>Exchange Tower<br>19 Canning Street<br>Edinburgh<br>EH3 8EH   |

THE WEST BERKSHIRE BREWERY PLC

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## THE WEST BERKSHIRE BREWERY PLC

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

I am delighted to present to my 1,333 fellow shareholders the fifth Chairman's Statement since our Company's founders, Dave and Helen Maggs, invited me to become Chairman in March 2013 and take the Company forward following their 18 years' service.

Once I had assessed fully the exciting opportunities which presented themselves for the future development of our Company, I was able to share the Board's new corporate strategy in our Information Memorandum dated 26th November 2014, namely 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
- Increase our working capital in order to strengthen our sales and marketing teams as we enlarge our distribution area and expand into new markets.

It has not been an easy journey by any means, in spite of the knowledge and experience gained during my 52-year career in the international brewing industry and licensed trade. However, I am delighted to say that in the year ended March 2018 we have achieved many of those original objectives:

- In January 2017, ground was broken on our fourth site, a 38,000sqft redundant cowshed, the entirety of which we fully renewed and renovated in partnership with our landlord, Yattendon Estates.
- In May 2017, our £4m. worth of new brewing and packaging plant started arriving from Parma in Italy.
- By September 2017, we moved into our new site and were testing our first brews on the new plant.
- In September 2017, we launched our 6% Convertible Bond which I am delighted to say has now been fully subscribed at £2m. from 42 investors.
- By November 2017, we had installed and were commissioning our new state-of-the-art, 60 Hl. brewery, together with its bottling, kegging and canning lines.
- In December 2017, our new 200-capacity Brewery Visitor Centre comprising a bar, café and shop, started trading as The Taproom & Kitchen, since when it has proven to be an excellent attraction for visitors to our Brewery.
- In January 2018, our Company acquired a 20% shareholding in Maverick Pubs Ltd, which immediately bought for just over £5m. the freeholds of 2 London pubs, The Old Suffolk Punch in Hammersmith ([www.oldsuffolkpunch.co.uk](http://www.oldsuffolkpunch.co.uk)) and The Oxford in Kentish Town ([www.oxfordtavern.co.uk](http://www.oxfordtavern.co.uk)). This investment is in addition to our Company's 100% investment in The Renegade Pub Co. Ltd. which owns the lease of The Depot in Islington ([www.thedepotn7.co.uk](http://www.thedepotn7.co.uk)). Therefore, our brands are now showcased in 3 prestigious free houses spread across Central London.
- In January 2018, having commissioned our new bottling and canning lines, we launched a completely new facet to our business, namely to contract brew and/or package for other brewers or top craft beer brand owners. This has proven to be a remarkably successful initiative and our market-leading customers so far include Adhams Brewery, Curious Brewery, 40 Foot Brewery, Yeastie Boys, West Brewery, Battersea Brewery, Forest Road Brewery, Crate Brewery and Big Hug Brewery.
- In March 2018, we decided to raise additional equity under the Enterprise Investment Scheme. To date, we have raised just over £10m. of the £12m. maximum permitted by HMRC for any one company.

We are very grateful to both Wealth Club and Asset Match for their sterling work in helping us to promote this year's 2 fundraising initiatives.

The new equity raised, together with the proceeds of our Convertible Bond, has been invested in our truly magnificent "Cathedral of Brewing" and our share of the 2 freehold London pubs, provided additional working capital to enable our sales expansion and the

resources needed to strengthen, once more, our management team.

- Sales of our own brands, including our new kegged beer range, continue to grow and our annual like-for-like sales are up 5%. We are also delighted that our Renegade Lager has been awarded a listing with a major national supermarket chain.

As I stated in my last Chairman's Statement for the year ended March 2017, our business then was poised on the cusp of a transformation. The year ended March 2018 was the year of that metamorphosis. It saw a crystallisation of our vision and turned our 5-year corporate plan into reality.

## THE WEST BERKSHIRE BREWERY PLC

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

As with all major events and changes, this has certainly not been an easy task. It was an incredibly tough year for both me and my dedicated team as we commissioned our new and technologically-advanced production and packaging plant, faced increased and furious competition in our market place and, in short, managed all the inevitable growing pains of a fast-evolving business.

Having finally achieved, as described above, so many of our objectives during the year ended March 2018, I must also mention some other matters which occurred during the year:

- In November 2017, Clive Watson ACA, who had been a Non-Executive Director for three years, resigned in order to focus exclusively as Executive Chairman of The City Pub Group PLC, following its admission that month to the Alternative Investment Market.
- Also, in November 2017, we accepted the resignation of our Chief Executive, Simon Lewis, who left to pursue new business ventures.
- Our Brewery Visitor Centre provides an essential centrepiece for showcasing our beers but shortly after it opened in November we were reported to the West Berkshire Planning Department for alleged breach of planning and licensing regulations. Fortunately, the council was quick to confirm our compliance with all regulations and granted us a "Certificate of Lawful Use". The needless confusion and disruption delayed our plans for the site and put in jeopardy the extra local jobs that both our Company and Yattendon Estates were so eager to create. The Visitor Centre has been incredibly well received and reviews are overwhelmingly positive. In fact, it has been so popular that we are in discussion with our landlord for additional parking.
- In January 2018, we were delighted to appoint Andrew Dickson as Production and Packaging Director, following his success as Head Brewer of Meantime Brewery.
- Since the year end, we have strengthened our Board with the appointment as Non-Executive Directors of 2 veterans in the brewing and licensed trade:
  - Peter Whitehead, FCA, formerly Group Financial Controller of Fuller, Smith & Turner and for 20 years the Finance Director of Young & Co.'s Brewery.
  - Sheila McKenzie, founder of the branded bar chain, Pitcher & Piano and former Managing Director of The Slug & Lettuce Group.
- On 1st August, Tom Lucas, ACCA, who has been with the Company for 10 years, was promoted to Managing Director, having been Operations and Finance Director for the past year.

#### Financial Highlights and Commentary:

- Turnover: £3.34m (2017 : £2.60m)
- Gross Profit: £1.30m (2017 : £978k)
- Loss for the financial year: £2.27m (2017 : £737k)

In this transformational year our company made a loss of £2.27m and when adjusted for exceptional items, interest, depreciation and amortisation resulted in an EBITDA loss of £942k.

It is more than disappointing that our financial results do not yet reflect the keenly anticipated benefits of our capital expenditure and our investment in our Company's personnel infrastructure.

Our Company, with 12 new jobs created during the year, continues to invest heavily in developing its personnel infrastructure for the future and is also in the middle of a large and expensive further expansion into its new premises, while continuing to pay rent on its previous site.

Delays caused by the late arrival of our new brewing and packaging plant, together with unforeseen teething problems with its commissioning, have meant we are about 6 months behind the schedule expressed in our business plan. Specifically, this has

impacted negatively with us not only having to pay rent and rates on 2 premises but also delaying implementation of our plans to attract more contract-brewing and packaging business.

Furthermore, our plans to invest in Maverick Pubs' 2 London freehold pubs was inopportune delayed due to recent changes to the Enterprise Investment Scheme rules.

**THE WEST BERKSHIRE BREWERY PLC**

**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

However, in spite of the many obstacles we have had to overcome, your Board is confident that our vision and corporate strategy remains correct. The current financial year is seeing rapidly growing sales which, to the end of July, have increased by 95% to £1.6m. We also anticipate that by the end of September we will have reached an important milestone, one where our business stops losing money and starts making it! Our forecasts and budgets show both positive cashflow and profit for the second half of the current year.

Since the year-end, in order to satisfy ever-increasing demand, we took delivery in July of a further £2m. worth of 18 new vessels up to 240 HI in size which will be fully operational by September, thereby increasing our annual production capacity to 50,000 HI.

We are continuing to invest in our team and our brands to drive sales across all channels and to build our brand and profile within the UK and beyond. We are in a position now of consolidation and retrenchment as we focus on further improving all aspects of our new business.

I hope that you will join me in congratulating our dedicated and passionate young team on their achievements this year and I look forward to seeing you at our AGM.

**Annual General Meeting**

Our AGM will be held at 11.30 am on Friday 21st September at our Brewery, followed by tours of its wonderful new facilities. Please may I ask shareholders with specific queries regarding the Financial Statements to contact our Financial Controller, Jack Barr ACA, by email: [jack.barr@wbbrew.co.uk](mailto:jack.barr@wbbrew.co.uk) who will happily provide detailed answers before the AGM.

Please let Clare Candy [clare.candy@wbbrew.com](mailto:clare.candy@wbbrew.com) know if you wish to attend the AGM so our Brewery Visitor Centre can cater accordingly.

Name David Bruce

Chairman

Date

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their Group Strategic Report for year ended 31 March 2018.

Business review

The Chairman's statement includes a detailed review of the business and forms a key part of this strategic report.

**Key risks and uncertainties**

Directors and 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 Managing Director, Tom Lucas, 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 management 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. 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 regulations in the future could give rise to penalties and other financial costs and damage to the Company's reputation. 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 Directors believe that the Company may need to raise additional funds in the future and believe that future fundraisings would most likely be by way of a placing of shares in the Company.

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

**THE WEST BERKSHIRE BREWERY PLC**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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 manage effectively 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.

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.

**Financial key performance indicators**

Legislation requires the Board to disclose Key Performance Indicators (KPIs) relevant to the Company. Comments regarding the trading performance against KPIs can be found in the Chairman's statement.

This report was approved by the board on

and signed on its behalf.

23 August 2018.

.....  
**Mr T A R Lucas ACCA**  
Director

**THE WEST BERKSHIRE BREWERY PLC**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report and the financial statements for the year ended 31 March 2018.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

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

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

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

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

**Results and dividends**

The loss for the year, after taxation, amounted to £2,274,312 (2017 - loss £737,219).

No dividends are proposed or paid in the year (2016 - £Nil)

**Directors**

The directors who served during the year were:

Mr A D M Bruce (Chairman)  
Mr S J Lewis (resigned 10 November 2017)  
Mr T A R Lucas ACCA  
Mr S G Robertson-Macleod  
Mr C R Watson ACA (resigned 17 November 2017)

**Future developments**

The likely future developments are disclosed in the Chairman's statement.

**THE WEST BERKSHIRE BREWERY PLC**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

Since the end of the financial year, the Company issued a further 224,340 £0.10 ordinary shares for a total consideration of £908,576.

Also, since the end of the financial year, the Group entered into a finance agreement for a total amount of £1,730,850 which is to be repaid over 5 years.

**Auditors**

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

.....  
**Mr T A R Lucas ACCA**  
Director

Date: 23 August 2018

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE WEST BERKSHIRE BREWERY PLC

**Opinion**

We have audited the financial statements of The West Berkshire Brewery PLC for the year ended 31 March 2018, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE WEST BERKSHIRE BREWERY PLC (CONTINUED)**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE WEST BERKSHIRE BREWERY PLC (CONTINUED)

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

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

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

**Use of our report**

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

Alan Poole BA(Hons) FCA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 23 August 2018

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018

|  | Note | 2018<br>£          | 2017<br>£        |
|--|------|--------------------|------------------|
| Turnover                                       | 4    | 3,341,738          | 2,595,952        |
| Cost of sales                                  |      | (2,036,650)        | (1,618,297)      |
| <b>Gross profit</b>                            |      | <b>1,305,088</b>   | <b>977,655</b>   |
| Administrative expenses                        |      | (3,450,080)        | (1,771,245)      |
| Other operating income                         | 5    | 3,304              | 3,336            |
| Fair value movements                           |      | (44,722)           | 49,233           |
| <b>Operating loss</b>                          | 6    | <b>(2,186,410)</b> | <b>(741,021)</b> |
| Share of loss of associates                    |      | (61,352)           | -                |
| <b>Total operating loss</b>                    |      | <b>(2,247,762)</b> | <b>(741,021)</b> |
| Interest receivable and similar income         | 10   | 610                | 5,610            |
| Interest payable and expenses                  | 11   | (27,160)           | (1,808)          |
| <b>Loss before taxation</b>                    |      | <b>(2,274,312)</b> | <b>(737,219)</b> |
| <b>Loss for the financial year</b>             |      | <b>(2,274,312)</b> | <b>(737,219)</b> |
| Other comprehensive income                     |      | -                  | -                |
| <b>Total comprehensive income for the year</b> |      | <b>(2,274,312)</b> | <b>(737,219)</b> |
| <b>(Loss) for the year attributable to:</b>    |      |                    |                  |
| Owners of the parent Company                   |      | (2,274,312)        | (737,219)        |
|  |      | <u>(2,274,312)</u> | <u>(737,219)</u> |

The notes on pages 18 to 40 form part of these financial statements.

**THE WEST BERKSHIRE BREWERY PLC**  
**REGISTERED NUMBER: 03667842**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2018**

|   | Note | 2018<br>£   | 2017<br>£ |
|---|------|-------------|-----------|
| <b>Fixed assets</b>                                     |      |             |           |
| Intangible assets                                       | 13   | -           | 345,944   |
| Tangible assets   | 14   | 6,912,061   | 3,412,186 |
| Investments   | 15   | 1,188,648   | -         |
|   |      | 8,100,709   | 3,758,130 |
| <b>Current assets</b>                                   |      |             |           |
| Stocks  | 16   | 554,488     | 269,960   |
| Debtors: amounts falling due after more than one year   | 17   | 395         | 21,226    |
| Debtors: amounts falling due within one year            | 17   | 583,780     | 369,776   |
| Cash at bank and in hand                                | 18   | 930,351     | 838,385   |
|   |      | 2,069,014   | 1,499,347 |
| Creditors: amounts falling due within one year          | 19   | (1,066,397) | (828,810) |
| <b>Net current assets</b>                               |      | 1,002,617   | 670,537   |
| <b>Total assets less current liabilities</b>            |      |             |           |
|   |      | 9,103,326   | 4,428,667 |
| Creditors: amounts falling due after more than one year | 20   | (2,143,583) | (26,635)  |
| <b>Net assets</b>                                       |      | 6,959,743   | 4,402,032 |
| <b>Capital and reserves</b>                             |      |             |           |
| Called up share capital                                 | 24   | 441,763     | 285,482   |
| Share premium account                                   | 25   | 9,403,390   | 4,953,510 |
| Other reserves  | 25   | 181,759     | -         |
| Profit and loss account                                 | 25   | (3,067,169) | (836,960) |
|   |      | 6,959,743   | 4,402,032 |

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

.....  
**Mr T A R Lucas ACCA**  
 Director

Date: 23 August 2018

The notes on pages 18 to 40 form part of these financial statements.

**THE WEST BERKSHIRE BREWERY PLC**  
**REGISTERED NUMBER: 03667842**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2018**

|   | Note | 2018<br>£   | 2017<br>£ |
|---|------|-------------|-----------|
| <b>Fixed assets</b>                                     |      |             |           |
| Tangible assets   | 14   | 6,756,846   | 3,227,044 |
| Investments   | 15   | 1,250,003   | 3         |
|   |      | 8,006,849   | 3,227,047 |
| <b>Current assets</b>                                   |      |             |           |
| Stocks  | 16   | 532,129     | 248,914   |
| Debtors: amounts falling due after more than one year   | 17   | 395         | 21,226    |
| Debtors: amounts falling due within one year            | 17   | 657,909     | 977,490   |
| Cash at bank and in hand                                | 18   | 914,298     | 809,093   |
|   |      | 2,104,731   | 2,056,723 |
| Creditors: amounts falling due within one year          | 19   | (955,818)   | (745,592) |
|   |      | 1,148,913   | 1,311,131 |
| <b>Net current assets</b>                               |      |             |           |
|   |      | 9,155,762   | 4,538,178 |
| <b>Total assets less current liabilities</b>            |      |             |           |
| Creditors: amounts falling due after more than one year | 20   | (2,143,583) | (26,635)  |
|   |      | 7,012,179   | 4,511,543 |
| <b>Net assets</b>                                       |      |             |           |
| <b>Capital and reserves</b>                             |      |             |           |
| Called up share capital                                 | 24   | 441,763     | 285,482   |
| Share premium account                                   | 25   | 9,403,390   | 4,953,510 |
| Other reserves  | 25   | 181,759     | -         |
| Profit and loss account                                 |      | (3,014,733) | (727,449) |
|   |      | 7,012,179   | 4,511,543 |

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

.....  
**Mr T A R Lucas ACCA**

Director

Date: 23 August 2018

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018

|   | Called up<br>share capital<br>£ | Share premium<br>account<br>£ | Other reserves<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£  |
|---|---------------------------------|-------------------------------|---------------------|---------------------------------|--------------------|
| <b>At 1 April 2016</b>                          | <b>224,698</b>                  | <b>3,470,329</b>              | -                   | <b>(158,548)</b>                | <b>3,536,479</b>   |
| Loss for the year                               | -                               | -                             | -                   | <b>(737,219)</b>                | <b>(737,219)</b>   |
| Shares issued during the year                   | <b>60,784</b>                   | <b>1,483,181</b>              | -                   | -                               | <b>1,543,965</b>   |
| Share based payment charge                      | -                               | -                             | -                   | <b>58,807</b>                   | <b>58,807</b>      |
| <b>At 1 April 2017</b>                          | <b>285,482</b>                  | <b>4,953,510</b>              | -                   | <b>(836,960)</b>                | <b>4,402,032</b>   |
| Loss for the year                               | -                               | -                             | -                   | <b>(2,274,312)</b>              | <b>(2,274,312)</b> |
| Shares issued during the year                   | <b>156,281</b>                  | <b>4,449,880</b>              | -                   | -                               | <b>4,606,161</b>   |
| Share based payment charge                      | -                               | -                             | -                   | <b>44,103</b>                   | <b>44,103</b>      |
| Equity element of convertible loan notes issued | -                               | -                             | <b>181,759</b>      | -                               | <b>181,759</b>     |
| <b>At 31 March 2018</b>                         | <b>441,763</b>                  | <b>9,403,390</b>              | <b>181,759</b>      | <b>(3,067,169)</b>              | <b>6,959,743</b>   |

The notes on pages 18 to 40 form part of these financial statements.

THE WEST BERKSHIRE BREWERY PLC

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018

|   | Called up<br>share capital<br>£ | Share premium<br>account<br>£ | Other reserves<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£  |
|---|---------------------------------|-------------------------------|---------------------|---------------------------------|--------------------|
| <b>At 1 April 2016</b>                          | <b>224,696</b>                  | <b>3,470,329</b>              | -                   | <b>(158,548)</b>                | <b>3,536,477</b>   |
| Loss for the year                               | -                               | -                             | -                   | <b>(627,708)</b>                | <b>(627,708)</b>   |
| Shares issued during the year                   | <b>60,786</b>                   | <b>1,483,181</b>              | -                   | -                               | <b>1,543,967</b>   |
| Share based payment charge                      | -                               | -                             | -                   | <b>58,807</b>                   | <b>58,807</b>      |
| <b>At 1 April 2017</b>                          | <b>285,482</b>                  | <b>4,953,510</b>              | -                   | <b>(727,449)</b>                | <b>4,511,543</b>   |
| Loss for the year                               | -                               | -                             | -                   | <b>(2,331,387)</b>              | <b>(2,331,387)</b> |
| Shares issued during the year                   | <b>156,281</b>                  | <b>4,449,880</b>              | -                   | -                               | <b>4,606,161</b>   |
| Share based payment charge                      | -                               | -                             | -                   | <b>44,103</b>                   | <b>44,103</b>      |
| Equity element of convertible loan notes issued | -                               | -                             | <b>181,759</b>      | -                               | <b>181,759</b>     |
| <b>At 31 March 2018</b>                         | <b>441,763</b>                  | <b>9,403,390</b>              | <b>181,759</b>      | <b>(3,014,733)</b>              | <b>7,012,179</b>   |

The notes on pages 18 to 40 form part of these financial statements.

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018

|   | 2018<br>£          | 2017<br>£          |
|---|--------------------|--------------------|
| <b>Cash flows from operating activities</b>     |                    |                    |
| Loss for the financial year                     | (2,274,312)        | (737,219)          |
| <b>Adjustments for:</b>                         |                    |                    |
| Amortisation/impairment of intangible assets    | 345,944            | 54,054             |
| Depreciation of tangible assets                 | 640,153            | 131,409            |
| Loss on disposal of tangible assets             | 215,062            | (168)              |
| Interest paid                                   | 27,160             | 1,808              |
| Interest received                               | (610)              | (5,610)            |
| (Increase)/decrease in stocks                   | (284,528)          | 47,355             |
| Increase in debtors                             | (132,157)          | (98,883)           |
| Increase in amounts owed by associates          | (105,738)          | -                  |
| (Decrease)/increase in creditors                | (70,058)           | 527,761            |
| Net fair value losses/(gains) recognised in P&L | 44,722             | (49,233)           |
| Share of operating loss of associates           | 61,352             | -                  |
| Corporation tax received                        | -                  | 7,978              |
| Share based payment charge                      | 44,103             | 58,807             |
| <b>Net cash used in operating activities</b>    | <b>(1,488,907)</b> | <b>(61,941)</b>    |
| <b>Cash flows from investing activities</b>     |                    |                    |
| Purchase of intangible fixed assets             | -                  | (399,998)          |
| Purchase of tangible fixed assets               | (4,355,090)        | (3,102,493)        |
| Sale of tangible fixed assets                   | -                  | 1,022              |
| Purchase of share in associates                 | (1,250,000)        | -                  |
| Interest received                               | 610                | 5,610              |
| Interest paid                                   | (25,250)           | (1,808)            |
| <b>Net cash used in investing activities</b>    | <b>(5,629,730)</b> | <b>(3,497,667)</b> |
| <b>Cash flows from financing activities</b>     |                    |                    |
| Issue of ordinary shares                        | 4,924,243          | 1,598,896          |
| Expenses paid in connection with share issue    | (318,082)          | (54,929)           |
| Other new loans                                 | 1,350,009          | -                  |
| New/(repayment of) finance leases               | 1,256,343          | (15,329)           |
| Interest paid                                   | (1,910)            | -                  |
| <b>Net cash from financing activities</b>       | <b>7,210,603</b>   | <b>1,528,638</b>   |

THE WEST BERKSHIRE BREWERY PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018

|   | 2018<br>£             | 2017<br>£             |
|---|-----------------------|-----------------------|
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <u>91,966</u>         | <u>(2,030,970)</u>    |
| Cash and cash equivalents at beginning of year                | 838,385               | 2,869,355             |
| <b>Cash and cash equivalents at the end of year</b>           | <u><u>930,351</u></u> | <u><u>838,385</u></u> |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                       |                       |
| Cash at bank and in hand                                      | <u><u>930,351</u></u> | <u><u>838,385</u></u> |

The notes on pages 18 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

**1. General information**

The West Berkshire Brewery Plc is a public limited company, incorporated in the United Kingdom and registered in England and Wales. The Group's principal place of business is The Old Dairy, Yattendon, Berkshire, RG18 0XT.

The principal activity of the Group is brewing and selling of beers and ales, and the operation and management of public houses.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

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

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

The financial period for the Group's non-dormant subsidiary is a 52 week period to 25 March 2018, the impact of the 6 day period to 31 March 2018 is considered immaterial to the group financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 Going concern

The Group remains in a phase of growth and investment as outlined in the Chairman's report, and is not yet profitable.

Despite the current losses, the directors remain confident that the Group has access to sufficient financial resources to continue trading for the foreseeable future including the ability to raise additional debt or equity capital if required. For this reason, the directors consider that it remains appropriate to prepare the financial statements on a going concern basis.

2.5 Revenue

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

**Sale of goods**

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

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

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

2.7 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

|                                 |                      |
|---------------------------------|----------------------|
| Improvements to property        | - Over term of lease |
| Plant and machinery             | - 10% - 20% on cost  |
| Motor vehicles                  | - 25% on cost        |
| Fixtures and fittings           | - 25% on cost        |
| New brewery plant and equipment | - 4% on cost         |
| Computer equipment              | - 25% on cost        |

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

2.11 Debtors

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

2.12 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Financial instruments

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

Derivatives, including interest rate swaps and forward contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.14 Creditors

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

2.15 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.16 Finance costs

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

2.17 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

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

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.20 Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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

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

Share based payment valuation

Management used the Black-Scholes model to estimate the value of the share options granted to employees. Details of the estimated inputs are disclosed in Note 26.

Stock valuation

The company uses a standard costing estimate to value work in progress and finished goods stock, including estimates for raw material, labour and overhead costs. These estimates are reviewed by management twice a year.

Useful life of fixed assets

The useful economic life of fixed assets is estimated on a class by class basis. Assets are depreciated over the average length of time management believe assets will be held for.

Impairment

Assets are assessed for impairment when indicators of impairment exist. Impairment reviews consist of estimating the current value (which is considered to be the higher of value in use and recoverable amount) of the assets in question and comparing against the carrying value. Such estimations are inherently judgemental and are predicated on estimation of the future cash flows generated by the assets in question.

4. **Turnover**

An analysis of turnover by class of business is as follows:

|         | 2018<br>£        | 2017<br>£        |
|---------|------------------|------------------|
| Brewery | 2,521,389        | 1,954,014        |
| Pub     | 820,349          | 641,938          |
|         | <u>3,341,738</u> | <u>2,595,952</u> |

5. **Other operating income**

|                              | 2018<br>£    | 2017<br>£    |
|------------------------------|--------------|--------------|
| Government grants receivable | <u>3,304</u> | <u>3,336</u> |

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

6. **Operating loss**

The operating loss is stated after charging:

|                               | 2018     | 2017       |
|-------------------------------|----------|------------|
|                               | £        | £          |
| Other operating lease rentals | <u>-</u> | <u>263</u> |

7. **Auditors' remuneration**

|   | 2018          | 2017          |
|---|---------------|---------------|
|   | £             | £             |
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | <u>15,400</u> | <u>11,000</u> |
| <b>Fees payable to the Group's auditor and its associates in respect of:</b>                                    |               |               |
| Taxation compliance and other services  | <u>4,000</u>  | <u>4,500</u>  |
|   | <u>4,000</u>  | <u>4,500</u>  |

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

8. Employees

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

|                            | 2018<br>No. | 2017<br>No. |
|----------------------------|-------------|-------------|
| Production                 | 6           | 5           |
| Administration and support | 19          | 10          |
| Distribution               | 5           | 4           |
| Pub staff                  | 16          | 15          |
|                            | <u>46</u>   | <u>34</u>   |

Key management personnel comprise the directors, their remuneration is disclosed below.

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

|                                 | 2018<br>£        | 2017<br>£      |
|---------------------------------|------------------|----------------|
| Wages and salaries              | 1,190,182        | 877,400        |
| Social security costs           | 106,011          | 66,841         |
| Compensation for loss of office | 20,686           | -              |
| Pension costs                   | 5,895            | -              |
|                                 | <u>1,322,774</u> | <u>944,241</u> |

9. Directors' remuneration

|   | 2018<br>£      | 2017<br>£      |
|---|----------------|----------------|
| Directors' emoluments   | 216,627        | 221,208        |
| Company contributions to defined contribution pension schemes | 652            | -              |
| Compensation for loss of office as director                   | 20,686         | -              |
|   | <u>237,965</u> | <u>221,208</u> |

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

The highest paid director received remuneration of £129,209 (2017 - £79,716).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £391 (2017 - £NIL).



THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

10. Interest receivable

|                           | 2018<br>£  | 2017<br>£    |
|---------------------------|------------|--------------|
| Other interest receivable | <u>610</u> | <u>5,610</u> |

11. Interest payable and similar expenses

|   | 2018<br>£     | 2017<br>£    |
|---|---------------|--------------|
| Interest on loan and finance agreements | <u>27,160</u> | <u>1,808</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

12. Taxation

|  | 2018<br>£          | 2017<br>£          |
|--|--------------------|--------------------|
|  | <u>          </u>  | <u>          </u>  |
| <b>Taxation on profit on ordinary activities</b> | <u>          -</u> | <u>          -</u> |

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

|  | 2018<br>£          | 2017<br>£          |
|--|--------------------|--------------------|
|  | <u>          </u>  | <u>          </u>  |
| Loss on ordinary activities before tax   | <u>(2,274,312)</u> | <u>(737,219)</u>   |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%) | (432,119)          | (147,444)          |
| <b>Effects of:</b>   |                    |                    |
| Expenses not deductible for tax purposes   | 351,690            | 27,636             |
| Deferred tax asset not recognised  | 80,429             | 119,808            |
|  | <u>          </u>  | <u>          </u>  |
| <b>Total tax charge for the year</b>   | <u>          -</u> | <u>          -</u> |

**Factors that may affect future tax charges**

Legislation has been passed to reduce the rate of UK corporation tax to 17% from 1 April 2020.

The Group has approximately £3,500,000 (2017: £1,500,000) taxable losses to carry forward. The Group has an unrecognised deferred tax asset of approximately £600,000 (2017: £250,000) arising from tax losses and other timing differences. These assets are, as yet, unrecognised as there is insufficient evidence that these assets will be recovered.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

13. Intangible assets

Group and Company

|                         | <b>Goodwill</b> |
|-------------------------|-----------------|
|                         | <b>£</b>        |
| <b>Cost</b>             |                 |
| At 1 April 2017         | 399,998         |
| At 31 March 2018        | <u>399,998</u>  |
| <b>Amortisation</b>     |                 |
| At 1 April 2017         | 54,054          |
| Charge for the year     | 54,054          |
| Impairment charge       | 291,890         |
| At 31 March 2018        | <u>399,998</u>  |
| <b>Net book value</b>   |                 |
| At 31 March 2018        | <u>-</u>        |
| <b>At 31 March 2017</b> | <u>345,944</u>  |

Goodwill represents the cost of the group's investment in a leasehold public house (via a wholly owned subsidiary) over and above the fair value of the identifiable assets acquired. The trading performance of the public house has not yet met management expectations and it is currently loss making. Hence, whilst the directors are hopeful that the performance will improve, it is considered appropriate to treat the goodwill as impaired. The level of impairment has been calculated using industry norms and is considered prudent and realistic.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

14. Tangible fixed assets

Group

|   | Improve-ments<br>to property<br>£ | Plant<br>and<br>machinery<br>£ | Motor vehicles<br>£ | New brewery<br>plant and<br>equipment<br>£ | Computer<br>equipment<br>£ |
|---|-----------------------------------|--------------------------------|---------------------|--|----------------------------|
| <b>Cost or valuation</b>                  |                                   |                                |                     |  |                            |
| At 1 April 2017                           | 288,643                           | 237,005                        | 100,221             | 2,996,581                                  | 209,831                    |
| Additions                                 | 280,546                           | 3,711,241                      | 398                 | 346,072                                    | 16,833                     |
| Disposals                                 | (144,324)                         | -                              | -                   | (167,562)                                  | -                          |
| At 31 March 2018                          | <u>424,865</u>                    | <u>3,948,246</u>               | <u>100,619</u>      | <u>3,175,091</u>                           | <u>226,664</u>             |
| <b>Depreciation</b>                       |                                   |                                |                     |  |                            |
| At 1 April 2017                           | 95,587                            | 162,057                        | 59,213              | 43,752                                     | 59,486                     |
| Charge for the year on owned<br>assets    | 41,760                            | 273,856                        | 14,348              | 130,844                                    | 47,758                     |
| Charge for the year on financed<br>assets | -                                 | 128,118                        | 3,469               | -  | -                          |
| Disposals                                 | (57,666)                          | -                              | -                   | (39,158)                                   | -                          |
| At 31 March 2018                          | <u>79,681</u>                     | <u>564,031</u>                 | <u>77,030</u>       | <u>135,438</u>                             | <u>107,244</u>             |
| <b>Net book value</b>                     |                                   |                                |                     |  |                            |
| At 31 March 2018                          | <u>345,184</u>                    | <u>3,384,215</u>               | <u>23,589</u>       | <u>3,039,653</u>                           | <u>119,420</u>             |
| At 31 March 2017                          | <u>193,056</u>                    | <u>74,948</u>                  | <u>41,008</u>       | <u>2,952,829</u>                           | <u>150,345</u>             |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

14. Tangible fixed assets (continued)

|  | Total<br>£       |
|--|------------------|
| <b>Cost or valuation</b>               |                  |
| At 1 April 2017                        | 3,832,281        |
| Additions                              | 4,355,090        |
| Disposals                              | (311,886)        |
|  | <hr/>            |
| At 31 March 2018                       | 7,875,485        |
|  | <hr/>            |
| <b>Depreciation</b>                    |                  |
| At 1 April 2017                        | 420,095          |
| Charge for the year on owned assets    | 508,566          |
| Charge for the year on financed assets | 131,587          |
| Disposals                              | (96,824)         |
|  | <hr/>            |
| At 31 March 2018                       | 963,424          |
|  | <hr/>            |
| <b>Net book value</b>                  |                  |
| At 31 March 2018                       | <u>6,912,061</u> |
| <b>At 31 March 2017</b>                | <u>3,412,186</u> |

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

|                     | 2018<br>£        | 2017<br>£     |
|---------------------|------------------|---------------|
| Plant and machinery | 1,103,450        | 12,400        |
| Motor vehicles      | 3,469            | 6,938         |
|                     | <hr/>            | <hr/>         |
|                     | <u>1,106,919</u> | <u>19,338</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

14. Tangible fixed assets (continued)

Company

|   | Improve-ments<br>to property | Plant and<br>machinery | Motor vehicles | New brewery<br>plant and<br>equipment | Computer<br>equipment |
|---|------------------------------|------------------------|----------------|---------------------------------------|-----------------------|
|   | £                            | £                      | £              | £                                     | £                     |
| <b>Cost or valuation</b>                  |                              |                        |                |                                       |                       |
| At 1 April 2017                           | 225,627                      | 237,005                | 100,221        | 2,996,581                             | 46,529                |
| Additions                                 | 280,546                      | 3,711,241              | 398            | 332,011                               | 16,833                |
| Disposals                                 | (144,324)                    | -                      | -              | (167,562)                             | -                     |
| At 31 March 2018                          | <u>361,849</u>               | <u>3,948,246</u>       | <u>100,619</u> | <u>3,161,030</u>                      | <u>63,362</u>         |
| <b>Depreciation</b>                       |                              |                        |                |                                       |                       |
| At 1 April 2017                           | 87,071                       | 162,057                | 59,213         | 43,752                                | 26,826                |
| Charge for the year on owned<br>assets    | 33,244                       | 273,856                | 14,348         | 130,844                               | 12,286                |
| Charge for the year on financed<br>assets | -                            | 128,118                | 3,469          | -                                     | -                     |
| Disposals                                 | (57,666)                     | -                      | -              | (39,158)                              | -                     |
| At 31 March 2018                          | <u>62,649</u>                | <u>564,031</u>         | <u>77,030</u>  | <u>135,438</u>                        | <u>39,112</u>         |
| <b>Net book value</b>                     |                              |                        |                |                                       |                       |
| At 31 March 2018                          | <u>299,200</u>               | <u>3,384,215</u>       | <u>23,589</u>  | <u>3,025,592</u>                      | <u>24,250</u>         |
| At 31 March 2017                          | <u>138,556</u>               | <u>74,948</u>          | <u>41,008</u>  | <u>2,952,829</u>                      | <u>19,703</u>         |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

14. Tangible fixed assets (continued)

|  | Total<br>£       |
|--|------------------|
| <b>Cost or valuation</b>               |                  |
| At 1 April 2017                        | 3,605,963        |
| Additions                              | 4,341,029        |
| Disposals                              | (311,886)        |
|  | <hr/>            |
| At 31 March 2018                       | 7,635,106        |
|  | <hr/>            |
| <b>Depreciation</b>                    |                  |
| At 1 April 2017                        | 378,919          |
| Charge for the year on owned assets    | 464,578          |
| Charge for the year on financed assets | 131,587          |
| Disposals                              | (96,824)         |
|  | <hr/>            |
| At 31 March 2018                       | 878,260          |
|  | <hr/>            |
| <b>Net book value</b>                  |                  |
| At 31 March 2018                       | <u>6,756,846</u> |
| At 31 March 2017                       | <u>3,227,044</u> |

**Finance leases**

All group assets held under finance leases are assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

15. Fixed asset investments

Group

|                          | Investments in<br>associates<br>£ |
|--------------------------|-----------------------------------|
| <b>Cost or valuation</b> |                                   |
| Additions                | 1,250,000                         |
| Share of profit/(loss)   | (61,352)                          |
|                          | <hr/>                             |
| At 31 March 2018         | 1,188,648                         |
|                          | <hr/>                             |
| <b>Net book value</b>    |                                   |
| At 31 March 2018         | <u>1,188,648</u>                  |
| At 31 March 2017         | <u>-</u>                          |

**Subsidiary and associate 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 follow:

| Name                             | Class of shares | Holding | Country of incorporation |
|----------------------------------|-----------------|---------|--------------------------|
| Renegade Brewery Limited         | Ordinary shares | 100 %   | England and Wales        |
| The Renegade Pub Co.1 Limited    | Ordinary shares | 100 %   | England and Wales        |
| The Renegade Pub Co.2 Limited    | Ordinary shares | 100 %   | England and Wales        |
| Maverick Pubs (Holdings) Limited | Ordinary shares | 20 %    | England and Wales        |
| Maverick Pubs Limited            | Ordinary shares | 20 %    | England and Wales        |

Renegade Brewery Limited is dormant.

The Renegade Pub Co.1 Limited's principal activity is operating a public house. Its financial period end is 25 March.

The Renegade Pub Co.2 Limited is dormant.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

15. Fixed asset investments (continued)

Company

|                          | Investments in<br>subsidiary<br>companies | Investments in<br>associates | Total            |
|--------------------------|---|------------------------------|------------------|
|                          | £   | £                            | £                |
| <b>Cost or valuation</b> |   |                              |                  |
| At 1 April 2017          | 3   | -                            | 3                |
| Additions                | -   | 1,250,000                    | 1,250,000        |
| At 31 March 2018         | <u>3</u>                                  | <u>1,250,000</u>             | <u>1,250,003</u> |
| <b>Net book value</b>    |   |                              |                  |
| At 31 March 2018         | <u>3</u>                                  | <u>1,250,000</u>             | <u>1,250,003</u> |
| At 31 March 2017         | <u>3</u>                                  | <u>-</u>                     | <u>3</u>         |

16. Stocks

|                  | Group<br>2018  | Group<br>2017  | Company<br>2018 | Company<br>2017 |
|------------------|----------------|----------------|-----------------|-----------------|
|                  | £              | £              | £               | £               |
| Raw materials    | 131,370        | 53,598         | 122,454         | 53,598          |
| Work in progress | 108,726        | 28,613         | 108,726         | 28,613          |
| Finished goods   | 314,392        | 187,749        | 300,949         | 166,703         |
|                  | <u>554,488</u> | <u>269,960</u> | <u>532,129</u>  | <u>248,914</u>  |

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

17. Debtors

|   | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
|---|--------------------|--------------------|----------------------|----------------------|
| <b>Due after more than one year</b>     |                    |                    |                      |                      |
| Financial instruments                   | <u>395</u>         | <u>21,226</u>      | <u>395</u>           | <u>21,226</u>        |
|   | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
| <b>Due within one year</b>              |                    |                    |                      |                      |
| Trade debtors                           | 371,577            | 195,808            | 371,577              | 195,808              |
| Amounts owed by group undertakings      | -                  | -                  | 124,014              | 644,612              |
| Amounts owed by associated undertakings | 105,738            | -                  | 105,738              | -                    |
| Other debtors                           | 67,018             | 119,614            | 23,955               | 83,660               |
| Prepayments and accrued income          | 35,331             | 26,347             | 28,509               | 25,403               |
| Financial instruments                   | 4,116              | 28,007             | 4,116                | 28,007               |
|   | <u>583,780</u>     | <u>369,776</u>     | <u>657,909</u>       | <u>977,490</u>       |

Amounts owed by group undertakings are repayable on demand and not interest bearing.

18. Cash and cash equivalents

|                          | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | <u>930,351</u>     | <u>838,385</u>     | <u>914,298</u>       | <u>809,093</u>       |

19. Creditors: Amounts falling due within one year

|   | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
|---|--------------------|--------------------|----------------------|----------------------|
| Trade creditors   | 292,583            | 602,486            | 259,614              | 555,134              |
| Amounts owed to group undertakings                          | -                  | -                  | 3                    | 3                    |
| Social security and other taxes                             | 130,644            | 102,937            | 100,290              | 95,084               |
| Obligations under finance lease and hire purchase contracts | 292,600            | 11,590             | 292,600              | 11,590               |
| Other creditors   | 50,018             | 7,526              | 34,808               | 565                  |
| Accruals and deferred income                                | 300,552            | 104,271            | 268,503              | 83,216               |
|   | <u>1,066,397</u>   | <u>828,810</u>     | <u>955,818</u>       | <u>745,592</u>       |

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

20. Creditors: Amounts falling due after more than one year

|  | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| Convertible loans  | 1,168,250          | -                  | 1,168,250            | -                    |
| Net obligations under finance leases and hire purchase contracts | 975,333            | -                  | 975,333              | -                    |
| Accruals and deferred income                                     | -                  | 26,635             | -                    | 26,635               |
|  | <u>1,168,250</u>   | <u>26,635</u>      | <u>1,168,250</u>     | <u>26,635</u>        |

21. Loans

|                                      | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
|--------------------------------------|--------------------|--------------------|----------------------|----------------------|
| <b>Amounts falling due 2-5 years</b> |                    |                    |                      |                      |
| Convertible loans                    | 1,168,250          | -                  | 1,168,250            | -                    |
|                                      | <u>1,168,250</u>   | <u>-</u>           | <u>1,168,250</u>     | <u>-</u>             |

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

|                   | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
|-------------------|--------------------|--------------------|----------------------|----------------------|
| Within one year   | 292,600            | 11,590             | 292,600              | 11,590               |
| Between 1-5 years | 975,333            | -                  | 975,333              | -                    |
|                   | <u>1,267,933</u>   | <u>11,590</u>      | <u>1,267,933</u>     | <u>11,590</u>        |

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

23. Financial instruments

|   | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
|---|--------------------|--------------------|----------------------|----------------------|
| <b>Financial assets</b>   |                    |                    |                      |                      |
| Financial assets measured at fair value through profit or loss                | 934,862            | 887,618            | 918,809              | 858,326              |
| Financial assets that are debt instruments measured at amortised cost         | 544,333            | 315,422            | 625,284              | 924,080              |
| Financial assets that are equity instruments measured at cost less impairment | -                  | -                  | -                    | -                    |
|   | <u>1,479,195</u>   | <u>1,203,040</u>   | <u>1,544,093</u>     | <u>1,782,406</u>     |
| <b>Financial liabilities</b>  |                    |                    |                      |                      |
| Financial liabilities measured at amortised cost                              | <u>(1,784,736)</u> | <u>(710,947)</u>   | <u>(1,876,445)</u>   | <u>(635,582)</u>     |

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents and forward contracts relating to the purchase of hops.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, other creditors, accrual and loans.

THE WEST BERKSHIRE BREWERY PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

24. Share capital

|  | 2018           | 2017           |
|--|----------------|----------------|
|  | £              | £              |
| <b>Allotted, called up and fully paid</b>                  |                |                |
| 4,417,630 (2017 - 2,854,820) Ordinary shares of £0.10 each | <u>441,763</u> | <u>285,482</u> |

The Group issued 1,562,810 ordinary shares during the year with a total nominal value of £156,281 for a total consideration of £4,924,243.

25. Reserves

**Share premium account**

Share premium account is the cumulative total of the amounts which the Group has received for a share issues in excess of its nominal value.

**Other reserves**

The other reserve is value of the equity element of the convertible loan facility introduced in the year ended 31 March 2018.

**Profit and loss account**

The profit and loss account is the accumulated profit or losses at the year end date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

26. Share based payments

The Group operates an Enterprise Management Incentive Plan under which certain employees have been granted options to subscribe to new ordinary share of the Group.

The share based payment charge for the year was £44,103 (2017: £58,807).

The movement in the number and weighted average exercise price of the share options during the year were as follows:

|  | Weighted<br>average<br>exercise price<br>(pence)<br>2018 | Number<br>2018 | Weighted<br>average<br>exercise price<br>(pence)<br>2017 | Number<br>2017 |
|--|--|----------------|--|----------------|
| Outstanding at the beginning of the year | 98   | 237,009        | 98   | 237,009        |
| Granted during the year                  | 200  | 633,636        | -  | -              |
| Forfeited during the year                | 118  | (89,140)       | -  | -              |
| Exercised during the year                | -  | -              | -  | -              |
|  | <u>87</u>  | <u>781,505</u> | <u>98</u>  | <u>237,009</u> |

**Outstanding at the end of the year**

|   | 2018                 | 2017          |
|---|----------------------|---------------|
| Option pricing model used                 | <b>Black-Scholes</b> | Black-Scholes |
| Weighted average share price (pence)      | 300                  | 300           |
| Exercise price (pence)                    | 86                   | 98            |
| Weighted average contractual life (years) | 6                    | 6             |
| Expected volatility                       | 62%                  | 62%           |
| Risk-free interest rate                   | <u>1%</u>            | <u>1%</u>     |

27. Commitments under operating leases

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

|  | Group<br>2018<br>£ | Group<br>2017<br>£ | Company<br>2018<br>£ | Company<br>2017<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year                        | 130,209            | 150,500            | 80,209               | 100,500              |
| Later than 1 year and not later than 5 years | 713,000            | 618,000            | 513,000              | 418,000              |
| Later than 5 years                           | 894,333            | 1,057,000          | 836,000              | 1,007,000            |
|  | <u>1,737,542</u>   | <u>1,825,500</u>   | <u>1,429,209</u>     | <u>1,525,500</u>     |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

**28. Related party transactions**

The Group has taken advantage of the exemption under Section 33 of FRS102 not to disclose transactions with wholly owned group members.

During the year ended 31 March 2018, the Group made sales totalling £107,111 (2017: £73,938) to 8 companies with common directors (2017: 6 companies).

At the balance sheet date the total amount due from companies with common directors was £17,098 (2017: £23,251).

During the year ended 31 March 2018, the Group made purchases totalling £47,255 (2017: £54,190) to 2 companies with common directors (2017: 2 companies).

At the balance sheet date the total amount due to companies with common directors was £3,088 (2017: £5,000).

During the year ended 31 March 2018, the Group made sales totalling £39,390 (2017: £nil) to associates. At the balance sheet date the amount due from associates was £46,265 (2017: £nil).

During the year ended 31 March 2018, the Group made purchases totalling £15,713 (2017: £nil) from directors. At the balance sheet date the company was owed £914 from directors.

**29. Post balance sheet events**

Since the end of the financial year, the Company issued a further 224,340 £0.10 ordinary shares for a total consideration of £908,576.

Also, since the end of the financial year, the Group entered into a finance agreement for a total amount of £1,730,850 which is to be repaid over 5 years.