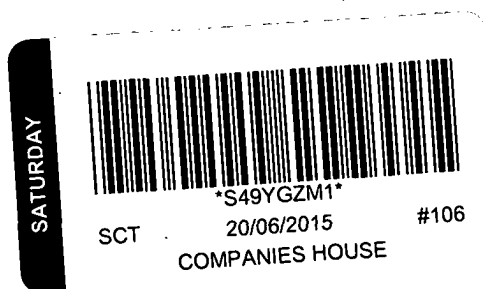


Company Registration No. SC311560 (Scotland)

**BREWDOG PLC**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**



# BREWDOG PLC

## DIRECTORS AND ADVISERS

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**Directors**

C K Greggor  
N A Simpson  
M Dempster  
A M Dickie  
J B Watt

**Secretary**

A M Dickie

**Company number**

SC311560

**Registered office**

Balmacassie Commercial Park  
ELLON  
AB41 8BX

**Registered auditors**

Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL

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# BREWDOG PLC

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# BREWDOG PLC

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2014

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We present our Strategic Report for BrewDog plc and its subsidiaries (collectively known as "the group") for the year ended 31 December 2014.

#### **Review of the business**

The principle activity of the group continues to be that of brewing of beer and operating bars. The results of the group show a pre tax profit of £3,650,664 (2013 - £2,360,769) for the year and turnover of £29,614,985 (2013 - £18,087,583).

We consider the financial key performance indicators to be profit before tax and turnover.

2014 was another epic year for us as we continued our mission to make other people as passionate about great craft beer as we are. We had three main focusses for the year:

- 1) To make the best beers we possibly can;
- 2) To be the best company to work for that we can be; and
- 3) To provide mind blowingly epic service to all our amazing customers.

We think we did pretty well on all three, and these same three objectives will remain our top priorities for 2015 as we look to continue to improve every single aspect of what we do.

2014 saw us become a living wage employer, grow our team to over 350 people and send our craft beers to over 50 countries around the planet. With 2014 successfully under our belt, we are all ready to burn up 2015. We have loads of exciting plans and it's great that our Equity Punk community is the heart and soul of BrewDog as we continue to grow. In 2014 we were one of the fastest growing food and drinks companies in the UK for the third year running, we opened thirteen new bars and put in place plans for further growth.

Highlights for us in 2014 include:

#### **1) Growing our turnover by 64%**

We shipped 89,000 HL from our Ellon brewery as we continued on our turbocharged growth trajectory. We were also strongly profitable and the plan is to reinvest all of our profits to date to fuel further growth.

#### **2) Becoming a Living Wage Employer**

As the first company in our industry to adopt the Living Wage, we're leading the way in not just our beer, but in our business. This investment is incredibly important to us, as our team are the most important asset to BrewDog.

#### **3) Winning three Gold Medals at the World Beer Awards**

Our goal is to make the best beers we possibly can and we aspire to make the best beers in the world. We like to think we are making good headway towards this ambition. It is nice that others think so too.

#### **4) Launching our new packaging**

We launched our new packaging and branding in August 2014. The response was great and we have now completed the full roll out across all our beers and other touch-points.

#### **5) Expanding our brewery, building our new warehouses, our new offices and opening thirteen new bars.**

We spent a lot of 2014 building. Our expanded brewery gives us the capacity we need to keep growing our business and our thirteen new bars gives our customers and Equity Punks more places to drink world class craft beer.

#### **6) Installing a Jacuzzi in our new offices which is permanently filled with Punk IPA.**

This is obviously a lie. But next year we might just make it a reality.

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# BREWDOG PLC

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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Let's go 2015!

Without us, we are nothing.

### **Principal risks and uncertainties**

We consider the key risks and uncertainties affecting the group to be the availability and cost of ingredients for our beers and the growing prominence of the craft beer market bringing with it more competition. In order to mitigate these risks and uncertainties, we continue to source quality hops and malt to brew our innovative beers and continue to look for opportunities to bring our beers to the wider public.

On behalf of the board



J B Watt

**Director**

1 April 2015

# **BREWDOG PLC**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2014**

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We present our Directors' Report and financial statements for the group for the year ended 31 December 2014.

#### **Dividends**

No dividends will be distributed for the year ended 31 December 2014 (2013: £nil).

#### **Future developments**

These have been appropriately covered within our Strategic Report.

#### **Directors**

The following directors have held office since 1 January 2014 unless otherwise stated:

C K Greggor

N A Simpson

M Dempster

A M Dickie

J B Watt

A P Foglio

(Resigned 28 August 2014)

The group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Employee involvement**

The group's policy is to consult and discuss with employees at meetings any matters likely to affect their interests. Information on matters of concern to employees is given through information bulletins and communications which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

#### **Disabled persons**

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

# **BREWDOG PLC**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2014***

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### **Financial risk management objectives and policies**

The group's activities expose it to a number of financial risks including liquidity and credit risk.

#### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long, medium and short term debt finance.

Forecasts are produced to assist management in identifying liquidity requirements and maintaining adequate reserves.

#### **Credit risk**

The group's financial assets are bank balances and cash, trade and other receivables.

The group's credit risk is primarily attributable to its trade receivables for beer sales. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The group's market is such that beer sales are concentrated towards a number of key customers. Credit risk is managed through maintaining good customer relationships and the monitoring of credit levels and settlement periods.

The credit risk on liquid funds is limited because the counterparty is a bank with a credit rating assigned by international credit rating agencies.

#### **Research and development**

During the year the group continued to undertake research and development on new brewing methods and techniques.

#### **Going concern**

We have a reasonable expectation that the parent company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus we continue to adopt the going concern basis in preparing these financial statements.

# BREWDOG PLC

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

### **Statement of disclosure to auditors**

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

On behalf of the board



J B Watt

**Director**

1 April 2015



# **BREWDOG PLC**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BREWDOG PLC**

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We have audited the financial statements of Brewdog plc for the year ended 31 December 2014 set out on pages 8 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out within the Directors' Report on pages 3 - 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

# BREWDOG PLC

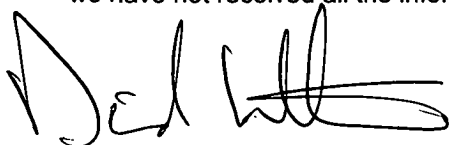
## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BREWDOG PLC

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### 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 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.



David Wilson (Senior Statutory Auditor)  
for and on behalf of Johnston Carmichael LLP

1104/2015

Chartered Accountants  
Statutory Auditor

Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL

# BREWDOG PLC

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

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		2014 £	2013 £
Turnover	2	29,614,985	18,087,583
Cost of sales		(18,157,781)	(11,202,251)
<b>Gross profit</b>		<b>11,457,204</b>	<b>6,885,332</b>
Administrative expenses		(7,778,734)	(4,652,562)
Other operating income		173,559	281,725
<b>Operating profit</b>	3	<b>3,852,029</b>	<b>2,514,495</b>
Income from interests in associated undertakings		2,972	24,058
Other interest receivable and similar income		4,807	11,462
Interest payable and similar charges	4	(209,144)	(189,246)
<b>Profit on ordinary activities before taxation</b>		<b>3,650,664</b>	<b>2,360,769</b>
Tax on profit on ordinary activities	5	(1,000,597)	(142,475)
<b>Profit on ordinary activities after taxation</b>		<b>2,650,067</b>	<b>2,218,294</b>

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

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

# BREWDOG PLC

## BALANCE SHEETS

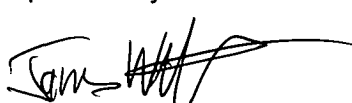
AS AT 31 DECEMBER 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
<b>Fixed assets</b>					
Intangible assets	7	1,962	2,942	-	-
Tangible assets	8	20,359,978	13,250,122	17,167,617	11,502,796
Investments	9	667,241	648,343	2,203,464	2,162,356
		<u>21,029,181</u>	<u>13,901,407</u>	<u>19,371,081</u>	<u>13,665,152</u>
<b>Current assets</b>					
Stocks	10	2,565,821	1,599,032	2,333,460	1,408,864
Debtors	11	5,083,309	2,710,965	5,840,913	2,527,090
Cash at bank and in hand		2,233,209	3,242,012	1,631,030	2,990,558
		<u>9,882,339</u>	<u>7,552,009</u>	<u>9,805,403</u>	<u>6,926,512</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(7,861,251)</u>	<u>(4,138,382)</u>	<u>(5,805,270)</u>	<u>(3,095,918)</u>
<b>Net current assets</b>		<u>2,021,088</u>	<u>3,413,627</u>	<u>4,000,133</u>	<u>3,830,594</u>
<b>Total assets less current liabilities</b>		<u>23,050,269</u>	<u>17,315,034</u>	<u>23,371,214</u>	<u>17,495,746</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(5,976,435)</u>	<u>(3,774,794)</u>	<u>(5,976,435)</u>	<u>(3,699,794)</u>
<b>Provisions for liabilities</b>	14	<u>(702,314)</u>	<u>(207,968)</u>	<u>(658,204)</u>	<u>(207,968)</u>
<b>Accruals and deferred income</b>	15	<u>(1,083,778)</u>	<u>(936,878)</u>	<u>(1,083,778)</u>	<u>(936,878)</u>
		<u>15,287,742</u>	<u>12,395,394</u>	<u>15,652,797</u>	<u>12,651,106</u>
<b>Capital and reserves</b>					
Called up share capital	16	58,969	58,825	58,969	58,825
Share premium account	17	7,301,206	7,059,069	7,301,206	7,059,069
Revaluation reserve	17	824,679	824,679	824,679	824,679
Profit and loss account	17	7,102,888	4,452,821	7,467,943	4,708,533
<b>Shareholders' funds</b>	18	<u>15,287,742</u>	<u>12,395,394</u>	<u>15,652,797</u>	<u>12,651,106</u>

Approved by the board and authorised for issue on 1 April 2015 by:



N A Simpson  
Director



J B Watt  
Director

Company Registration No. SC311560

# BREWDOG PLC

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	£	2014 £	£	2013 £
<b>Net cash inflow from operating activities</b>		2,731,143		2,228,151
<b>Returns on investments and servicing of finance</b>				
Interest received	4,807		11,462	
Interest paid	(87,505)		(70,287)	
Hire purchase interest	(121,639)		(118,959)	
Dividends received from participating interests	-		17,500	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(204,337)		(160,284)
<b>Taxation</b>		(65,752)		(1,799)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(5,358,352)		(3,712,228)	
Payments to acquire investments	(100,000)		-	
Receipts from disposal of tangible assets	67,500		250	
<b>Net cash outflow for capital expenditure</b>		(5,390,852)		(3,711,978)
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings (net of cash acquired)	(21,222)		-	
Receipts from disposal of associate	67,500		6,621	
<b>Net cash outflow for acquisitions and disposals</b>		46,278		6,621
<b>Net cash outflow before management of liquid resources and financing</b>		(2,883,520)		(1,639,289)
<b>Financing</b>				
Issue of ordinary share capital	242,281		3,813,060	
New long term bank loan	2,000,000		-	
Other new short term loans	574,776		-	
Government grant received	230,508		783,067	
Repayment of long term bank loan	(316,176)		(95,234)	
Repayment of other long term loans	-		(3,644)	
Capital element of hire purchase contracts	(856,672)		(664,112)	
<b>Net cash inflow from financing</b>		1,874,717		3,833,137
<b>(Decrease)/increase in cash in the year</b>		(1,008,803)		2,193,848

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		<b>2014</b>	<b>2013</b>	
			£	£	
	Operating profit		3,852,029	2,514,495	
	Depreciation of tangible assets		1,054,953	636,301	
	Amortisation of intangible assets		980	1,960	
	(Profit)/loss on disposal of tangible assets		(8,506)	1,758	
	Loss on disposal of investments		16,574	-	
	Increase in stocks		(966,789)	(530,130)	
	Increase in debtors		(2,372,344)	(1,219,860)	
	Increase in creditors		1,237,853	909,230	
	Grant amortisation		(83,607)	(85,603)	
	<b>Net cash inflow from operating activities</b>		<b>2,731,143</b>	<b>2,228,151</b>	
<b>2</b>	<b>Analysis of net debt</b>	<b>1 January 2014</b>	<b>Cash flow</b>	<b>Other non-</b>	<b>31 December 2014</b>
		£	£	cash changes	£
	Net cash:				
	Cash at bank and in hand	3,242,012	(1,008,803)	-	2,233,209
	Finance leases	(2,848,617)	856,672	(1,872,662)	(3,864,607)
	Debts falling due within one year	(253,087)	(613,295)	-	(866,382)
	Debts falling due after one year	(1,644,002)	(1,645,306)	-	(3,289,308)
		(4,745,706)	(1,401,929)	(1,872,662)	(8,020,297)
	<b>Net debt</b>	<b>(1,503,694)</b>	<b>(2,410,732)</b>	<b>(1,872,662)</b>	<b>(5,787,088)</b>
<b>3</b>	<b>Reconciliation of net cash flow to movement in net debt</b>		<b>2014</b>	<b>2013</b>	
			£	£	
	(Decrease)/increase in cash in the year		(1,008,803)	2,193,848	
	Cash (inflow)/outflow from (increase)/decrease in debt		(1,401,929)	762,990	
	Change in net debt resulting from cash flows		(2,410,732)	2,956,838	
	New finance lease		(1,872,662)	(930,318)	
	<b>Movement In net debt in the year</b>		<b>(4,283,394)</b>	<b>2,026,520</b>	
	Opening net debt		(1,503,694)	(3,530,214)	
	<b>Closing net debt</b>		<b>(5,787,088)</b>	<b>(1,503,694)</b>	

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

#### 1.2 Compliance with accounting standards

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

#### 1.3 Basis of consolidation

The financial statements consolidate the financial statements of BrewDog Plc and all of its subsidiary undertakings.

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

#### 1.4 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of value added tax and trade discounts. Revenue is recognised in the financial statements when the risks and rewards of owning the goods has passed to the customer and when cash has been received or is receivable.

#### 1.5 Goodwill

On consolidation the excess of the parent's investment in the subsidiary's equity is treated as goodwill. It is amortised to the profit and loss account over its estimated useful life of five years.

#### 1.6 Tangible fixed assets and depreciation

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

Land	not provided
Land and buildings	2% on cost
Long-term leasehold property	over lease term
Plant and machinery	10 - 25% on reducing balance and 33 - 50% on cost
Computer equipment	33% on cost
Fixtures and fittings	25% on cost
Motor vehicles	25% on reducing balance
Assets under construction	not provided

Certain brewing equipment, included within plant and machinery, is depreciated at 10% on reducing balance method and has been allocated a residual value of between 10% and 55% of cost, dependant on the tank's use.

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

---

### 1 Accounting policies

(Continued)

#### 1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

#### 1.8 Investments

Except as stated below, fixed asset investments are shown at cost less any provision for impairment.

Unlisted investments are held at valuation as derived by the directors.

In the group financial statements, investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the group's share of associate's profit less losses while the group's share of the net assets of the associate is shown in the consolidated balance sheet.

#### 1.9 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress is valued using cost of materials, labour and a proportion of overheads to reflect the cost of beer being brewed.

#### 1.10 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date, to pay more tax, or a right to pay less tax at a future date, at the rates expected to apply when the crystallise based on current rates and law. Deferred tax is not provided on non-monetary asset revaluations unless there is a binding commitment to sell the asset at the balance sheet date.

Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more than likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.12 Research and development

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

#### 1.13 Government grants

Government grants received for revenue expenditure are recognised in the profit and loss account in the same period as the relevant expenditure. Government grants received for capital expenditure are deferred and released to the profit and loss account over the useful life of the associated asset.



# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 1 Accounting policies

(Continued)

#### 1.14 Financial instruments

Financial instruments are classified and accounted for, according to the subsistence of the contractual arrangement, as either 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 liabilities.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

#### Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2014 £	2013 £
<b>Geographical segment</b>		
UK	19,891,131	11,470,238
Europe	7,467,449	5,060,247
USA and Canada	645,084	484,258
Rest of the world	1,611,321	1,072,840
	<u>29,614,985</u>	<u>18,087,583</u>

### 3 Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Amortisation of goodwill	980	1,960
Depreciation of tangible assets	1,054,953	636,301
Loss on disposal of tangible assets	-	1,758
Loss on disposal of associate investment	16,574	-
Loss on foreign exchange transactions	-	27,128
Operating lease rentals	779,198	465,382
Fees payable to the group's auditor for the audit of the group's annual financial statements	27,000	27,000
Remuneration for non audit fees	99,088	51,747
Research and development	200,000	610,000
and after crediting:		
Government grants	168,759	143,097
Profit on disposal of tangible assets	8,506	-
Profit on foreign exchange transactions	58,597	-
	<u>1,600,057</u>	<u>1,873,273</u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

4	Interest payable and similar charges	2014 £	2013 £
	On bank loans and overdrafts	87,505	55,331
	Hire purchase interest	121,639	118,959
	Other interest	-	14,956
		<u>209,144</u>	<u>189,246</u>
		<u><u>209,144</u></u>	<u><u>189,246</u></u>
5	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	456,104	15,251
	Adjustment for prior years	50,147	-
	<b>Total current tax</b>	<u>506,251</u>	<u>15,251</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	480,864	155,556
	Deferred tax adjustments arising in previous periods	13,482	(28,332)
		<u>494,346</u>	<u>127,224</u>
		<u><u>1,000,597</u></u>	<u><u>142,475</u></u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

5 Taxation	(Continued)	
	2014	2013
	£	£
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	3,650,664	2,360,769
	<u>                    </u>	<u>                    </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2013 - 20%)	730,133	472,154
	<u>                    </u>	<u>                    </u>
Effects of:		
Non-deductible expenses	38,226	4,352
Capital allowances in excess of depreciation	(318,053)	(133,757)
Tax losses utilised	(33,755)	(179,916)
Other fixed asset related movements	32,386	-
Other timing differences	6,505	(1,970)
Prior period adjustment	50,147	-
Impact of tax rate differential	54,395	-
Deduction for R&D expenditure	(53,733)	(153,000)
Share of tax associate	-	7,388
	<u>                    </u>	<u>                    </u>
	(223,882)	(456,903)
	<u>                    </u>	<u>                    </u>
<b>Current tax charge for the year</b>	506,251	15,251
	<u>                    </u>	<u>                    </u>

The estimated tax payable if the group's revalued assets are sold at the values shown is £38,755 (2013 - £45,158)

## 6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2014	2013
	£	£
Holding company's profit for the financial year	2,759,410	2,185,142
	<u>                    </u>	<u>                    </u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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### 7 Intangible fixed assets Group

	Goodwill £
<b>Cost</b>	
At 1 January 2014 & at 31 December 2014	4,902
	<hr/>
<b>Amortisation</b>	
At 1 January 2014	1,960
Charge for the year	980
	<hr/>
At 31 December 2014	2,940
	<hr/>
<b>Net book value</b>	
At 31 December 2014	1,962
	<hr/> <hr/>
At 31 December 2013	2,942
	<hr/> <hr/>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 8 Tangible fixed assets

#### Group

	Land and buildings £	Long-term leasehold property £	Fixtures and fittings £	Motor vehicles £
<b>Cost or valuation</b>				
At 1 January 2014	3,798,708	1,375,900	780,030	69,737
Additions	1,269,309	1,058,887	929,824	99,500
Transfers	1,648,284	-	1,429	-
At 31 December 2014	6,716,301	2,434,787	1,711,283	169,237
<b>Depreciation</b>				
At 1 January 2014	49,046	161,008	221,018	34,870
Charge for the year	86,711	138,498	312,246	17,734
At 31 December 2014	135,757	299,506	533,264	52,604
<b>Net book value</b>				
At 31 December 2014	6,580,544	2,135,281	1,178,019	116,633
At 31 December 2013	3,749,662	1,214,892	559,012	34,867
	<b>Plant and machinery £</b>	<b>Computer equipment £</b>	<b>Assets under construction £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 January 2014	6,622,956	56,733	1,669,545	14,373,609
Additions	4,710,319	59,233	96,731	8,223,803
Transfers	-	-	(1,649,713)	-
Disposals	(102,049)	-	-	(102,049)
At 31 December 2014	11,231,226	115,966	116,563	22,495,363
<b>Depreciation</b>				
At 1 January 2014	620,494	37,051	-	1,123,487
On disposals	(43,055)	-	-	(43,055)
Charge for the year	480,110	19,654	-	1,054,953
At 31 December 2014	1,057,549	56,705	-	2,135,385
<b>Net book value</b>				
At 31 December 2014	10,173,677	59,261	116,563	20,359,978
At 31 December 2013	6,002,462	19,682	1,669,545	13,250,122

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 8 Tangible fixed assets

(Continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Net book values</b>				
At 31 December 2014	5,049,586	145,798	22,115	5,217,499
At 31 December 2013	3,776,835	69,298	30,810	3,876,943
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation charge for the year</b>				
31 December 2014	256,362	33,484	11,110	300,956
31 December 2013	218,106	4,002	1,779	223,887
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Included within land and buildings of group and company is land at valuation of £1,638,213, and buildings at cost of £5,078,088.

Land at Potterton was valued on an open market basis on 30 March 2011 by Ryden LLP, chartered surveyors at a value of £299,199. Since 2012 the group has acquired land at Balmacassie (sites 1, 2 & 3) which cost £1,260,000. At the balance sheet date the directors believe these figures reflect the current market value of the land.

#### Company

	Long-term leasehold property £	Land and buildings £	Fixtures and fittings £	Motor vehicles £
<b>Cost or valuation</b>				
At 1 January 2014	-	3,798,708	57,668	69,737
Additions	13,914	1,269,309	112,712	99,500
Transfer	-	1,648,284	1,429	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2014	13,914	6,716,301	171,809	169,237
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 1 January 2014	-	49,046	28,935	34,870
Charge for the year	696	86,711	34,061	17,734
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2014	696	135,757	62,996	52,604
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>				
At 31 December 2014	13,218	6,580,544	108,813	116,633
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2013	-	3,749,662	28,733	34,867
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 8 Tangible fixed assets (Continued)

#### Company (continued)

	Plant and machinery £	Computer equipment £	Assets under construction £	Total £
<b>Cost or valuation</b>				
At 1 January 2014	6,622,956	52,413	1,669,545	12,271,027
Additions	4,710,319	59,233	96,731	6,361,718
Transfers	-	-	(1,649,713)	-
Disposals	(102,049)	-	-	(102,049)
At 31 December 2014	<u>11,231,226</u>	<u>111,646</u>	<u>116,563</u>	<u>18,530,696</u>
<b>Depreciation</b>				
At 1 January 2014	620,494	34,886	-	768,231
On disposals	(43,055)	-	-	(43,055)
Charge for the year	480,110	18,591	-	637,903
At 31 December 2014	<u>1,057,549</u>	<u>53,477</u>	<u>-</u>	<u>1,363,079</u>
<b>Net book value</b>				
At 31 December 2014	<u>10,173,677</u>	<u>58,169</u>	<u>116,563</u>	<u>17,167,617</u>
At 31 December 2013	<u>6,002,462</u>	<u>17,527</u>	<u>1,669,545</u>	<u>11,502,796</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Net book values</b>				
At 31 December 2014	5,049,586	145,798	22,115	5,217,499
At 31 December 2013	<u>3,776,835</u>	<u>69,298</u>	<u>30,810</u>	<u>3,876,943</u>
<b>Depreciation charge for the year</b>				
31 December 2014	256,362	33,484	11,110	300,956
31 December 2013	<u>218,106</u>	<u>4,002</u>	<u>1,779</u>	<u>223,887</u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 9 Fixed asset investments Group

	Unlisted investments £	Interest in associates £	Total £
<b>Cost or valuation</b>			
At 1 January 2014	567,241	81,102	648,343
Additions	50,000	52,972	102,972
Disposals	-	(84,074)	(84,074)
	<u>617,241</u>	<u>50,000</u>	<u>667,241</u>
At 31 December 2014	617,241	50,000	667,241
	<u>617,241</u>	<u>50,000</u>	<u>667,241</u>
<b>Net book value</b>			
At 31 December 2014	617,241	50,000	667,241
	<u>617,241</u>	<u>50,000</u>	<u>667,241</u>
At 31 December 2013	567,241	81,102	648,343
	<u>567,241</u>	<u>81,102</u>	<u>648,343</u>

Unlisted investments are valued on an open market basis by the directors. The historical cost of these unlisted investments is £51,656 (2013 - £1,656).

During the year, BrewDog plc disposed of its associate interest in JBW (77) Limited (formerly BrewDog Aberdeen Limited) to Mr J B Watt, a director, for £67,500. The date of disposal was 24 February 2014 - at that date, the trade and net assets of the bar business within JBW (77) Limited were transferred to BrewDog Bars Limited for book value of £18,446.

During the year, also BrewDog plc acquired an associate interest in Brew by Numbers Limited for £50,000, from Mr J B Watt. The directors' consider the group's share of the financial results for Brew By Numbers Limited for the period from acquisition to year end are trivial, and as such have not accounted for these within the group financial statements.

The cost and net book value of the group's associate interest in JBW (77) Limited up to the date of its disposal was as follows:

	2014 £	2013 £
Purchase price	87,500	87,500
Share of profits since acquisition	51,574	48,602
Dividends received	(55,000)	(55,000)
	<u>84,074</u>	<u>81,102</u>



# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 9 Fixed asset investments

(Continued)

Company	Unlisted investments	Interest in associates	Shares in group undertakings	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 2014	567,241	80,114	1,515,001	2,162,356
Additions	50,000	50,000	21,222	121,222
Disposals	-	(80,114)	-	(80,114)
At 31 December 2014	617,241	50,000	1,536,223	2,203,464
<b>Net book value</b>				
At 31 December 2014	617,241	50,000	1,536,223	2,203,464
At 31 December 2013	567,241	80,114	1,515,001	2,162,356

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
BrewDog Bars Limited	Scotland	Ordinary	100.00
BrewDog GmbH	Germany	Ordinary	100.00
<b>Participating interests</b>			
Brew By Numbers Limited	England & Wales	Ordinary	23.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
BrewDog Bars Limited	Bar operator
BrewDog GmbH	Bar operator
Brew By Numbers Limited	Brewing of beer

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 10 Stocks and work in progress

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Raw materials and consumables	696,188	407,071	696,188	407,071
Work in progress	577,023	378,052	577,023	378,052
Finished goods and goods for resale	1,292,610	813,909	1,060,249	623,741
	<u>2,565,821</u>	<u>1,599,032</u>	<u>2,333,460</u>	<u>1,408,864</u>

### 11 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	3,809,201	1,576,894	3,845,395	1,563,420
Amounts owed by group undertakings	-	-	1,467,361	317,955
Amounts owed by participating interests	12,150	58,095	12,150	58,095
Other debtors	724,199	799,152	246,695	457,662
Prepayments and accrued income	537,759	276,824	269,312	129,958
	<u>5,083,309</u>	<u>2,710,965</u>	<u>5,840,913</u>	<u>2,527,090</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014	2013	2014	2013
	£	£	£	£
Other debtors	<u>216,159</u>	<u>249,264</u>	<u>-</u>	<u>-</u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 12 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	866,382	253,087	216,606	103,087
Net obligations under finance lease and hire purchase contracts	1,177,479	717,824	1,177,479	717,824
Trade creditors	3,122,427	1,936,477	2,483,966	1,449,515
Corporation tax	448,364	7,865	448,364	7,865
Taxes and social security costs	752,386	258,700	408,846	93,957
Directors current accounts	278	-	278	-
Other creditors	144,410	312,146	48,662	293,493
Accruals and deferred income	1,349,525	652,283	1,021,069	430,177
	<u>7,861,251</u>	<u>4,138,382</u>	<u>5,805,270</u>	<u>3,095,918</u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 13 Creditors : amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	3,289,308	1,644,002	3,289,308	1,569,002
Net obligations under finance leases and hire purchase agreements	2,687,127	2,130,792	2,687,127	2,130,792
	<u>5,976,435</u>	<u>3,774,794</u>	<u>5,976,435</u>	<u>3,699,794</u>
<b>Analysis of loans</b>				
Wholly repayable	4,155,690	1,897,089	3,505,914	1,672,089
Included in current liabilities	(866,382)	(253,087)	(216,606)	(103,087)
	<u>3,289,308</u>	<u>1,644,002</u>	<u>3,289,308</u>	<u>1,569,002</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	222,660	181,022	222,660	106,022
In more than two years but not more than five years	707,079	336,397	707,079	336,397
In more than five years	<u>2,359,569</u>	<u>1,126,583</u>	<u>2,359,569</u>	<u>1,126,583</u>

The bank loans relate to four separate loans.

The first is in the name of the parent company, originally for a maximum of £1,820,000, and is repayable by monthly instalments until October 2027.

The second is in the name of the subsidiary, originally for a maximum of £250,000, and is repayable in four tranches during the period to June 2015.

The third, a new loan advanced during the year, is in the name of the parent company, for a maximum of £2,000,000, and is repayable by monthly instalments until May 2029.

The fourth, a new loan facility advanced during the year in the name of the subsidiary, is a facility up to £800,000 and is available for the company to draw down as required. The facility will be reviewed in April 2015 and is currently disclosed as repayable on demand until such time that it reverts to a term loan.

All loans are subject to interest charged at 2.31% over the bank's sterling base rate.

The bank loans are secured by standard and floating charges over the assets of the group. In addition, there is an unlimited cross guarantee between BrewDog plc and BrewDog Bars Limited. The new parent company loan advanced during the year is secured by a mortgage over its land and buildings.

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 13 Creditors : amounts falling due after more than one year (Continued)

	Group 2014 £	2013 £	Company 2014 £	2013 £
<b>Net obligations under finance leases and hire purchase contracts</b>				
Repayable between one and five years	3,864,606	2,848,616	3,864,606	2,848,616
	<u>3,864,606</u>	<u>2,848,616</u>	<u>3,864,606</u>	<u>2,848,616</u>
Included in liabilities falling due within one year	(1,177,479)	(717,824)	(1,177,479)	(717,824)
	<u>2,687,127</u>	<u>2,130,792</u>	<u>2,687,127</u>	<u>2,130,792</u>

The hire purchase contracts and finance leases are secured by a floating charge over the assets of BrewDog plc.

### 14 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 January 2014	207,968
Profit and loss account	494,346
Balance at 31 December 2014	<u>702,314</u>

#### Company

Balance at 1 January 2014	207,968
Profit and loss account	450,236
Balance at 31 December 2014	<u>658,204</u>

The deferred tax liability is made up as follows:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Accelerated capital allowances	<u>702,314</u>	<u>207,968</u>	<u>658,204</u>	<u>207,968</u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 15 Accruals and deferred income

Group and company	Government grants £
Balance at 1 January 2014	936,877
Amortisation in the year	(83,607)
Grants received during the year	230,508
Balance at 31 December 2014	<u>1,083,778</u>

16 Share capital	2014 £	2013 £
<b>Allotted and called up</b>		
1,014,960 Ordinary A shares of 5p each	50,748	50,748
164,420 (2013 - 161,548) Ordinary B shares of 5p each	8,221	8,077
	<u>58,969</u>	<u>58,825</u>

During the year the company issued a further 2,872 Ordinary B shares to the public under its Equity for Punks III crowdfunding initiative, with an issue price of £95 per share. This created additional share premium of £242,137 in the year.

Both A and B Ordinary shares rank equally in terms of rights to receive dividends, rights to participate in a distribution of the assets of the company and voting at general meetings.

At the year end £46,634 (2013 - £49,756) of share capital and share premium remains unpaid.

### 17 Statement of movements on reserves

Group	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2014	7,059,069	824,679	4,452,821
Profit for the year	-	-	2,650,067
Premium on shares issued during the year	242,137	-	-
Balance at 31 December 2014	<u>7,301,206</u>	<u>824,679</u>	<u>7,102,888</u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 17 Statement of movements on reserves

(Continued)

#### Company

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2014	7,059,069	824,679	4,708,533
Profit for the year	-	-	2,759,410
Premium on shares issued during the year	242,137	-	-
Balance at 31 December 2014	<u>7,301,206</u>	<u>824,679</u>	<u>7,467,943</u>

### 18 Reconciliation of movements in shareholders' funds

Group	2014 £	2013 £
Profit for the financial year	2,650,067	2,218,294
Proceeds from issue of shares	242,281	3,813,060
Net addition to shareholders' funds	<u>2,892,348</u>	<u>6,031,354</u>
Opening shareholders' funds	12,395,394	6,364,040
Closing shareholders' funds	<u>15,287,742</u>	<u>12,395,394</u>

Company	2014 £	2013 £
Profit for the financial year	2,759,410	2,185,142
Proceeds from issue of shares	242,281	3,813,060
Net addition to shareholders' funds	<u>3,001,691</u>	<u>5,998,202</u>
Opening shareholders' funds	12,651,106	6,652,904
Closing shareholders' funds	<u>15,652,797</u>	<u>12,651,106</u>

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 19 Financial commitments

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	4,987	4,987	12,271	1,765
Between two and five years	32,000	-	38,487	48,488
In over five years	653,175	447,375	27,416	3,600
	<u>690,162</u>	<u>452,362</u>	<u>78,174</u>	<u>53,853</u>

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	4,987	4,987	11,949	729
Between two and five years	-	-	23,556	33,557
In over five years	48,500	-	23,816	-
	<u>53,487</u>	<u>4,987</u>	<u>59,321</u>	<u>34,286</u>

### 20 Capital commitments

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Contracted for but not provided in the financial statements	<u>2,570,054</u>	<u>1,325,296</u>	<u>2,570,054</u>	<u>1,325,296</u>



# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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<b>21 Directors' remuneration</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	451,370	288,184

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

Remuneration for qualifying services	129,080	100,000
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## 22 Employees

### Number of employees

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

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
Directors	6	6
Administration	32	18
Production	60	48
Bar staff	179	114
	<u>277</u>	<u>186</u>

### Employment costs

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	5,715,778	3,403,790
Social security costs	680,083	278,278
	<u>6,395,861</u>	<u>3,682,068</u>

## 23 Control

The controlling parties of the group are Mr J Watt and Mr M Dickie by virtue of their controlling interest in the group.

# BREWDOG PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

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### 24 Related party relationships and transactions

#### Group

Under FRS 8 Related Party Disclosures, the group has taken the exemption available in not disclosing transactions with wholly owned parties within the group and transactions which are eliminated on consolidation.

During the year the group made sales of £26,233 (2013 - £211,398) to JBW (77) Limited (formerly BrewDog Aberdeen Limited), a company under the control of Mr J B Watt, a director. The balance due from JBW (77) Limited at the year end was £nil (2013 - £32,650). The group also paid rent of £18,333 (2013 - £nil) during the year to JBW (77) Limited of which £18,333 was due at the year end (2013 - £nil). The group received dividends £17,500 from JBW (77) Limited during 2013 when it was an associate of the group.

During the year the group paid rent of £34,500 (2013 - 46,000) to JBW (Aberdeen) Limited (formerly JBW (77) Limited), a company in which Mr J B Watt, a director, has an interest. The balance due to JBW (Aberdeen) Limited at the year end was £34,500 (2013 - £27,600).

During the year the group made sales of £14,564 (2013 - £8,211) and purchases of £22,280 (2013 - £14,723) from Musa 77 Limited, a company controlled by Mr J B Watt, a director. The balance due to Musa 77 Limited at the year end was £nil (2013 - £3,384).

During the year the group made sales of £192,089 (2013 - £411,969) to Anchor Brewing Company, a company in which Mr C K Greggor, a director, and Mr A P Foglio, a former director, have an interest. The balance due from Anchor Brewing Company at the year end was £107,336 (2013 - £109,465).

During the year the group made sales of £51,434 (2013 - £nil) to and purchases of £18,727 (2013 - £nil) from Brew By Numbers Limited, an associated company. The balance due from Brew By Numbers Limited at the year end was £12,150 (2013 - £nil).

BrewDog plc has provided guarantees in respect of a number of property leases for BrewDog Bars Limited.