

REGISTRAR OF COMPANIES

Company Number: 2268310

RALPH PETERS & SONS LIMITED

**Directors' report and
audited financial statements
for the year ended 31 December 2014**

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RALPH PETERS & SONS LIMITED

31 DECEMBER 2014

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RALPH PETERS & SONS LIMITED

31 DECEMBER 2014

OFFICERS AND COMPANY INFORMATION

DIRECTORS:

R P Peters
M J Peters
L Peters

AUDITOR:

Montpelier Audit Limited
Sanderson House
Station Road
Horsforth
LEEDS
LS18 5NT

ACCOUNTANTS:

Montpelier Chartered Accountants
Montpelier Professional (Leeds) Limited
Sanderson House
Station Road
Horsforth
LEEDS
LS18 5NT

REGISTERED OFFICE:

Coronation Road
Cressex Business Park
High Wycombe
Bucks
HP12 3TA

RALPH PETERS & SONS LIMITED

31 DECEMBER 2014

GROUP STRATEGIC REPORT

The soft drinks industry is projected to grow in volume and value terms. Against this background, the aim of the Group is to deliver revenue and profit growth by growing the ice drinks market and growing market share in both the United Kingdom and through accelerated international expansion. The Group will also focus on key higher-margin (premium) products and formats whilst driving further efficiencies.

The Directors have, and believe that they can continue to deliver growth by investing in and extending their existing strong brands, through acquiring new "premium" brand franchises and through the development of new products. The directors also believe that their outstanding customer service and technical know-how have, and will continue to differentiate them from the competitive set.

Against this strategy, the directors believe that the Group has performed well as indicated by the following financial metrics.

FINANCIAL KEY PERFORMANCE INDICATORS

The management focus upon a range of key measures to monitor and manage the Group. The main financial metrics are:

- Net Revenue - which has increased by 24.2%.
- Gross Profit - which has increased by 36.3%.
- Net profit before tax - which has dropped by 19.3%.
- Gross profit margin - which has increased to 58.7% (2013: 53.4%).
- Net profit margins - which has dropped to 4.8% (2013: 7.5%).
- Return on Assets - which has dropped to 2.66 (2013: 2.93).

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risk

The directors believe that the main Group business risks are identified below along with the mitigating actions which have been put in place:

- A change in the consumer preference or the economic environment could reduce sales of our brands. This risk is partially mitigated because the Group has diversified its portfolio and broadened the number of geographic markets operated in.
- Health and obesity debate could reduce sales of our products. The Group continues to innovate and offer a broad choice of products to consumers to mitigate any changes in consumer preference.
- A termination or variation in arrangements with Slush Puppie and / or the The Coca Cola Company could reduce our business. The arrangement with Slush Puppie is in perpetuity. The contract with The Coca Cola Company is for a defined time period, but has clauses attached which protect the business.
- Increasing Commodity demand and pricing could impact our profitability. Input costs are a relatively small proportion of the Group's cost base. Any increase in these costs would impact margins made by the Group, but would impact the broader market and conventional soft drinks players harder, forcing them to increase their prices proportionally more. It is believed that this dynamic would potentially allow more consumers to switch into our brands and product format mitigating some of the lost margin.
- A product quality issue leads to a recall and significant cost. The Group continues to invest in systems to manage product quality and tracking. Further, a full product recall tracking procedure which would allow the Group to closely define any impacted products is in place, minimising the amount of product which would need to be recalled and therefore protecting as far as is possible the brand equity and financial losses.

RALPH PETERS & SONS LIMITED

31 DECEMBER 2014

GROUP STRATEGIC REPORT

Business Risk (...continued)

- Loss of the High Wycombe site could reduce product availability and machine parts and therefore sales. To mitigate this risk, the Group has undertaken successful trials with third party product suppliers who could pack product in the event of a disaster impacting the facilities at High Wycombe. The Group is also confident that the original freezer manufacturers could supply spare parts in such an event.
- An IT systems issue could result in a significant disruption to the Group over a prolonged period or permanent loss of records and data if the IT disaster recovery plans are not adequate. The major systems are hosted by major third parties with full disaster recovery back up. Further, the facilities are web based with data stored on the cloud and therefore activities could be resumed relatively quickly.
- Inadequate security over the IT network could result in data loss or corruption. As above, the major IT infrastructure is hosted by substantial third party specialist IT companies who continue to monitor data security on a regular basis.

Liquidity risk

Despite a broadening of the Group's product offering into new products and channels, the ice drinks market remains highly seasonal with a peak in sales over the summer months. To mitigate as far as possible the cash flow issue this period presents, strong cash management practices are used in the Group. The Group also has access to overdraft facilities to manage this particular period.

Interest rate risk

Interest cover in the Group is 5.33 times (2013: 5.97 times).

Further, a significant proportion of the long term debt in the Group is provided by directors who are also owners of the business. They have the ability to set the interest rates which are not directly impacted by market driven criteria.

Credit risk

The Group has a significant number of customers across several different geographies. Further, our largest customers are large corporations. With this level of diversity in the customer base, and scale of the largest customers, the credit risk is thought to be relatively low.

FUTURE DEVELOPMENTS

The directors will continue to focus on the strategy outlined above. Specifically they have identified the following key priorities for the next two to three years:

- Growth in the UK driven by availability and rate of sale in selected channels. Tactics will include the introduction of different business models and increased marketing investment tuned for different types of customers.
- Growth via driving availability in selected European markets. Initial focus on frozen carbonated beverages (Fanta Frozen and Tango Ice Blast) quickly followed by frozen un-carbonated beverages (Slush Puppie) to provide scale in each market.
- Developing on-line solutions (e-commerce and e-business) for the business.
- Improving efficiency through systems improvements and driving supply chain network and cost base improvements. Most notable in the short term will be the deployment of Net Suites to the business.

RALPH PETERS & SONS LIMITED31 DECEMBER 2014GROUP STRATEGIC REPORT

FUTURE DEVELOPMENTS (...continued)

- Development of employees and continuing to improve the working environment to optimise employee performance

The directors will also consider appropriately targeted acquisitions which can be efficiently leveraged as part of the Group's established portfolio and through the Group's infrastructure and systems.

ON BEHALF OF THE BOARD



M J PETERS
Director

Dated: 23.9.2015

RALPH PETERS & SONS LIMITED

31 DECEMBER 2014

GROUP DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires directors to prepare financial statements for each financial year. Under that law directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, directors are required to:

- select suitable accounting policies 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 company will continue in business.

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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PRINCIPAL ACTIVITY

The company's principal activity during the year was that of a holding the shares of its subsidiaries.

The principal activity of the main subsidiary company, Slush Puppie Limited, was the manufacturing, processing and distribution of ice crystal drinks, fruit juices, squashes and associated technical services.

RALPH PETERS & SONS LIMITED31 DECEMBER 2014DIRECTORS' REPORT

DIRECTORS WHO SERVED DURING THE YEAR

The following directors served during the year ended 31 December 2014 :

R P Peters
M J Peters
L Peters

M J Peters has options (under a Share Option Agreement) to acquire 40,000 ordinary shares of £1 each in the company at the price of £1 per share, which can be exercised upon or at any time after the occurrence of certain events.

DIVIDEND

The directors do not recommend a payment of a dividend in respect of the year ended 31 December 2014 (2013 : £Nil).

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group made charitable donations of £150 (2013 : £11,000). No political donations were made in the year (2013 : £Nil).

AUDITOR

Montpelier Audit Limited was appointed during the year and has signified its willingness to continue in office and a resolution to reappoint it will be put to the members at the annual general meeting.

ON BEHALF OF THE BOARD



M J PETERS
Director

Dated:

23.9.2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

RALPH PETERS & SONS LIMITED

We have audited the financial statements of Ralph Peters & Sons Limited for the year ended 31 December 2014 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's 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.

Sanderson House
Station Road
Horsforth
LEEDS
LS18 5NT

PHILIP NUTTALL FCA (Senior Statutory Auditor)
FOR AND ON BEHALF OF MONTEPIER AUDIT LIMITED
STATUTORY AUDITOR

Dated: 23 September 2015

RALPH PETERS & SONS LIMITEDCONSOLIDATED PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 2014

		<u>2014</u>	<u>2013</u>
	Notes	£	£
TURNOVER	2	14,119,586	11,367,993
Cost of sales		(5,837,597)	(5,292,385)
GROSS PROFIT		8,281,989	6,075,608
Net operating expenses		(7,828,700)	(5,015,758)
OPERATING PROFIT	3 - 5	453,289	1,059,850
Interest receivable and similar income	6	20	1,348
Interest payable and similar charges	7	231,207	(213,428)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		684,516	847,770
Tax on profit on ordinary activities	8	(113,939)	(259,133)
PROFIT FOR THE FINANCIAL YEAR		<u>570,577</u>	<u>588,637</u>

There were no recognised gains and losses for either year other than those included in the profit and loss account above.

RALPH PETERS & SONS LIMITEDCOMPANY NUMBER: 2268310CONSOLIDATED BALANCE SHEET31 DECEMBER 2014

		<u>2014</u>	<u>2013</u>
	Notes	£	£
FIXED ASSETS			
Intangible assets	9	2,478,716	2,882,111
Tangible assets	10	2,196,278	1,575,492
		4,674,994	4,457,603
CURRENT ASSETS			
Stocks	12	796,335	702,919
Debtors	13	2,089,299	1,850,969
Cash at bank and in hand		767,243	677,235
		3,652,877	3,231,123
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(3,014,806)	(3,807,876)
NET CURRENT LIABILITIES		638,071	(576,753)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,313,065	3,880,850
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	(2,575,919)	(1,714,281)
NET ASSETS		2,737,146	2,166,569
CAPITAL AND RESERVES			
Called up share capital	17	50,002	50,002
Profit and loss account	18	2,687,144	2,116,567
EQUITY SHAREHOLDERS' FUNDS	19	2,737,146	2,166,569

These accounts were approved by the Board of Directors on 23 September 2015 and signed on their behalf by:


M J PETERS
Director

RALPH PETERS & SONS LIMITEDCOMPANY NUMBER: 2268310COMPANY BALANCE SHEET31 DECEMBER 2014

		<u>2014</u>	<u>2013</u>
	Notes	£	£
FIXED ASSETS			
Investments	11	466,561	466,561
CURRENT ASSETS			
Debtors	13	7,884	7,884
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	-	-
NET CURRENT ASSETS		7,884	7,884
TOTAL ASSETS LESS CURRENT LIABILITIES		474,445	474,445
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	(414,939)	(414,939)
NET ASSETS		59,506	59,506
CAPITAL AND RESERVES			
Called up share capital	17	50,002	50,002
Profit and loss account	18	9,504	9,504
EQUITY SHAREHOLDERS' FUNDS		59,506	59,506

These accounts were approved by the Board of Directors on 23 September 2015 and signed on their behalf by:



M J PETERS
Director

RALPH PETERS & SONS LIMITEDCONSOLIDATED CASH FLOW STATEMENT31 DECEMBER 2014

		<u>2014</u>	<u>2013</u>
	Notes	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	<u>2,214,514</u>	<u>991,180</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		20	1,348
Interest paid on finance lease rental payments		(30,605)	(173,205)
Other interest paid		(57,157)	(40,223)
		<u></u>	<u></u>
Net cash outflow from returns on investments and servicing of finance		(87,742)	(212,080)
TAXATION			
Corporation tax paid		(316,073)	(240,733)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(1,357,172)	(714,903)
Payments to acquire intangible fixed assets		(336,828)	-
Proceeds from disposals of tangible fixed assets		-	3,430
Proceeds from disposals of intangible fixed assets		-	84,712
		<u></u>	<u></u>
Net cash outflow from capital expenditure		(1,694,000)	(626,761)
FINANCING			
Repayment of capital element of finance lease rental payments		(412,202)	(277,203)
Drawdown on new loans issued		678,576	1,136,380
		<u></u>	<u></u>
Net cash inflow from financing		266,374	859,177
AQUISITIONS			
Shares purchased in subsidiary		(295,461)	-
Net cash acquired on acquisition of subsidiary		2,396	-
		<u></u>	<u></u>
Net cash outflow from acquisitions		(293,065)	-
INCREASE IN CASH AT BANK AND IN HAND	C	<u>90,008</u>	<u>770,783</u>

RALPH PETERS & SONS LIMITEDNOTES TO THE CONSOLIDATED CASH FLOW STATEMENT31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>		
	£	£		
A. NET CASH INFLOW FROM OPERATING ACTIVITIES				
Operating profit	453,289	1,059,850		
Depreciation charges	738,499	515,888		
Amortisation	1,397,703	176,240		
(Increase)/decrease in stocks	(79,375)	67,488		
Increase in debtors	(216,865)	(221,682)		
Decrease in creditors	(82,152)	(607,575)		
Loss on disposal of fixed assets	3,415	971		
	<u>2,214,514</u>	<u>991,180</u>		
B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS				
Increase in cash at bank and in hand in year	90,008	770,783		
Cash inflow/(outflow) from increase/(decrease) in debt and lease financing	432,152	(859,177)		
	<u>522,160</u>	<u>(88,394)</u>		
Change in net debt resulting from cash flow	522,160	(88,394)		
New finance leases and bank loans	(327,733)	-		
	<u>194,427</u>	<u>(88,394)</u>		
Movement in net debt	194,427	(88,394)		
Net debt at 1 January 2014	(1,716,287)	(1,627,893)		
	<u>(1,521,860)</u>	<u>(1,716,287)</u>		
C. ANALYSIS OF CHANGES IN NET DEBT				
	<u>At 31.12.13</u>	<u>Cashflows</u>	<u>Other changes</u>	<u>At 31.12.14</u>
	£	£	£	£
Cash at bank and in hand	677,235	90,008	-	767,243
	<u>(815,038)</u>	<u>19,950</u>	<u>350,843</u>	<u>(444,245)</u>
Debt due within one year	(815,038)	19,950	350,843	(444,245)
Debt due after more than one year	(900,000)	-	-	(900,000)
Finance leases	(678,484)	412,202	(678,576)	(944,858)
	<u>(1,716,287)</u>	<u>522,160</u>	<u>(327,733)</u>	<u>(1,521,860)</u>

RALPH PETERS & SONS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 2014

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical basis of accounting and have been prepared in accordance with applicable accounting standards.

Basis of consolidation

The consolidated accounts incorporate the results of Ralph Peters & Sons Limited and its subsidiary undertakings as at 31 December 2014, using the acquisition method of accounting. The results of the subsidiary undertakings are included from the date of acquisition.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Turnover

Turnover represents amounts receivable in respect of goods sold and services provided, excluding value added tax.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at the following rates on the bases stated:

Improvements to leasehold and

freehold property

- over the period of the lease

Plant and machinery

- 20% per annum on cost

Motor vehicles

- 25% per annum on reducing balance

Equipment, fixtures and fittings

- 25% per annum on reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is the amount incurred in bringing each product to its present location and condition as follows:

Raw materials - purchase cost on a first in, first out basis.

Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable net assets required. During the year the directors reviewed each element of the goodwill acquired and determined that an estimated economic life of five years was more appropriate than the twenty year period used previously. This charge has been applied retrospectively. The effect of this change in estimation technique is that the amortisation charge has increased by £741,216 under the new estimation method.

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

1. ACCOUNTING POLICIES - continued

Development expenditure

Expenditure on research and development is written off as incurred.

Finance leases

Where an asset is acquired by way of a lease agreement the terms of which transfer substantially all the risks and rewards of ownership to the company, the capital value of that asset is included in the balance sheet together with the corresponding liability as if title had passed. The value of assets treated in this manner is shown separately in the fixed assets note.

Operating leases

Operating lease rentals and equivalent hire purchase contracts are charged as an expense in the profit and loss account.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences from the revaluation of fixed assets where there is no commitment to sell the asset.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate 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 the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme covering the majority of the employees. The scheme is fully funded and contributions by both employees and the company are held in a trustee administered fund completely independent of the company's finances. Employer's contributions to the scheme are charged against profits.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

2. TURNOVER

Turnover represents the fair value of the right to consideration for the full and partial completion of the company's obligations under its contractual arrangements. All turnover relates to acquisitions of subsidiaries in the year.

The analysis of turnover between different markets is as follows:

	<u>2014</u>	<u>2013</u>
	£	£
UK	12,849,782	10,240,538
Rest of EU	828,371	857,355
Rest of World	441,433	270,100
	14,119,586	11,367,993

3. OPERATING PROFIT

Group operating profit is stated after charging:

Depreciation of owned assets	183,871	241,421
Depreciation of assets held under finance leases	550,557	274,467
Amortisation of goodwill	1,397,703	176,240
Auditors' remuneration - audit	13,350	15,000
- tax advisory	-	6,196
Operating lease payments	595,963	377,591
Loss/(gain) on foreign exchange transactions	31,122	5,640
Loss on disposal of plant and machinery	3,415	971

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>
	£	£
4. EMPLOYEE INFORMATION		
Staff costs (including directors remuneration):		
Wages and salaries	2,551,824	2,602,794
Social security costs	254,916	231,944
Other pension costs	47,558	38,528
	2,854,298	2,873,266

The average number of persons employed by the group during the year is analysed below:

	No.	No.
Production	9	9
Administration	11	8
Selling and distribution	17	17
Service technicians	35	36
	72	70

	<u>2014</u>	<u>2013</u>
	£	£
5. DIRECTORS' REMUNERATION		
Remuneration	383,429	444,144

Pension contributions of £Nil were made in respect of the highest paid director who received remuneration of £96,750 (2013 : £161,986) from the company.

During the year, consultancy fees of £527,500 (2013 : £Nil) were made by a third party under the control of the directors for the provision of the director's services.

The number of directors who were accruing benefits under company pension schemes was as follows:-

	No.	No.
Money purchase schemes	1	2

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

	2014	2013
	£	£
6. INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank interest receivable	-	1,348
Interest on corporation tax receivable	20	-
	<u>20</u>	<u>1,348</u>
7. INTEREST PAYABLE AND SIMILAR CHARGES		
On bank loans and overdrafts	13,429	36,295
On other loans	(301,918)	136,910
On finance leases and hire purchase contracts	57,282	40,223
	<u>(231,207)</u>	<u>213,428</u>
8. TAX ON PROFIT ON ORDINARY ACTIVITIES		
UK corporation tax:		
Charge for the year @ 21.5%	132,000	234,472
Previous year adjustment	(18,061)	24,661
	<u>113,939</u>	<u>259,133</u>
Deferred taxation:		
Charge/(credit) for the year	-	-
	<u>113,939</u>	<u>259,133</u>
The tax assessed for the year is lower than would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 21.5%. The differences are explained below:		
	£	£
Profit on ordinary activities before tax	684,516	847,770
Profit on ordinary activities multiplied by the standard rate of corporation tax of 21.5%	<u>147,171</u>	<u>198,000</u>
Effects of:		
Expenses not deductible for tax purposes	30,562	911
Capital allowances for year in excess of depreciation	(59,288)	25,845
(Profit)/loss on disposal of fixed assets	-	233
Adjustments to tax charges in respect of prior periods	(18,061)	24,661
Increase or decrease in pension fund prepayment leading to an increase/(decrease) in tax	-	63
Other differences	13,555	9,420
Corporation tax charge	<u>113,939</u>	<u>259,133</u>

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

9. INTANGIBLE FIXED ASSETS

	Goodwill
	£
The Group:	
<u>Cost</u>	
At 1 January 2014	3,621,290
Additions	994,308
At 31 December 2014	4,615,598
<u>Amortisation</u>	
At 1 January 2014	739,179
Provided during the year	1,397,703
Eliminated on disposal	-
At 31 December 2014	2,136,882
Net book value:	
At 31 December 2014	2,478,716
At 31 December 2013	2,882,111

RALPH PETERS & SONS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 2014

10.	TANGIBLE FIXED ASSETS	Short term leasehold property	Plant & machinery	Motor vehicles	Equipment, fixtures & fittings	Total
		£	£	£	£	£
	The Group:					
	Cost:					
	At 1 January 2014	125,251	6,195,255	75,474	315,260	6,711,240
	On acquisition of subsidiaries	-	14,096	-	-	14,096
	Additions	23,358	1,215,262	41,024	77,528	1,357,172
	Disposals	-	(121,624)	(5,189)	-	(126,813)
	At 31 December 2014	148,609	7,302,989	111,309	392,788	7,955,695
	Depreciation:					
	At 1 January 2014	32,611	4,796,620	23,114	283,403	5,135,748
	On acquisition of subsidiaries	-	8,568	-	-	8,568
	Provided during the year	10,355	677,526	22,910	27,708	738,499
	Disposals	-	(120,145)	(3,253)	-	(123,398)
	At 31 December 2014	42,966	5,362,569	42,771	311,111	5,759,417
	Net book value:					
	At 31 December 2014	105,643	1,940,420	68,538	81,677	2,196,278
	At 31 December 2013	92,640	1,398,635	52,360	31,857	1,575,492

The net book value of fixed assets at 31 December 2014 held under finance leases was £1,319,641 (2013 : £873,362).

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

		<u>2014</u>	<u>2013</u>
		£	£
11.	FIXED ASSET INVESTMENTS		
	The Company: Cost and Net Book Value At 1 January 2014 and at 31 December 2014	<u>466,561</u>	<u>466,561</u>
	Representing:		
		Class of shares held	Proportion of voting rights held
			Nature of business
			%
	Slush Puppie Limited	Ordinary	100
	Quench Dispensers Limited	Ordinary	100
	Frutina Limited	Ordinary	100
	Quench Limited	Ordinary	100
	All of the subsidiaries above are incorporated in England and Wales, which is also each company's principal country of operation.		
	The two subsidiaries below are incorporated in France and The Netherlands and each of these respective countries are the companies' principal country of operation.		
		Class of shares held	Proportion of voting rights held
			Nature of business
			%
	EURL Beverage Concepts France	Ordinary	100
	Slush Puppie Benelux B.V.	Ordinary	100
	The results from all these investments have been disclosed in the accounts of each company for the year ended 31 December 2014. The results for each of these subsidiary companies have been consolidated into these group accounts.		

	<u>2014</u>		<u>2013</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£	£	£	£
12. STOCKS				
Raw materials	115,243	-	105,303	-
Finished goods and goods for re-sale	681,092	-	597,616	-
	<u>796,335</u>	<u>-</u>	<u>702,919</u>	<u>-</u>

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

		<u>2014</u>		<u>2013</u>	
		<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
		£	£	£	£
13.	DEBTORS				
	Due within one year:				
	Trade debtors	1,806,164	-	1,488,255	-
	Other debtors	213,590	-	330,508	-
	Prepayments and accrued income	69,545	-	32,206	-
	Amounts owing from group companies	-	7,884	-	7,884
		<u>2,089,299</u>	<u>7,884</u>	<u>1,850,969</u>	<u>7,884</u>
14.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
	Bank loans and overdrafts	-	-	814,270	-
	Net obligations under finance leases	461,534	-	307,979	-
	Trade creditors	1,142,510	-	425,000	-
	Current corporation tax	31,966	-	234,100	-
	Other taxes and social security costs	220,011	-	214,131	-
	Other creditors	568,633	-	691,881	-
	Accruals and deferred income	590,152	-	1,120,515	-
		<u>3,014,806</u>	<u>-</u>	<u>3,807,876</u>	<u>-</u>

Other creditors include £308,714 (2013 : £184,845) payable under an invoice discounting arrangement which is secured by a charge over book debts of the company and personal guarantee from a director.

Other creditors also include £444,245 (2013 : £478,628) due to directors and shareholders.

Bank loans carry an interest rate of 4.5% above LIBOR and secured by:

Unlimited inter company composite guarantee with accession between Ralph Peters & Sons Limited, Slush Puppie Limited and all subsidiary companies including Frutina Limited.

Debentures incorporating a full fixed and floating charge over all UK assets and undertakings, with appropriate waivers over book debts for the invoice discounting agreement.

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

		<u>2014</u>		<u>2013</u>	
		<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
		£	£	£	£
15.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
	Loans	900,000	-	900,000	-
	Net obligations under finance leases and hire purchase contracts	483,325	-	371,273	-
	Amounts owed to group undertakings	-	414,939	-	414,939
	Other creditors	1,192,594	-	443,008	-
		<u>2,575,919</u>	<u>414,939</u>	<u>1,714,281</u>	<u>414,939</u>
	Analysis of loan and finance lease repayments:				
	Bank loans and overdrafts within one year or on demand	-	-	814,270	-
	Other loans and finance lease repayments within one year or on demand	461,534	-	307,979	-
	Between one and two years	1,675,919	-	814,281	-
	In five years or more	900,000	-	900,000	-
	Less: amounts included in current liabilities (note 14)	(461,534)	-	(1,122,249)	-
		<u>2,575,919</u>	<u>-</u>	<u>1,714,281</u>	<u>-</u>

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS AND FINANCE LEASES

	<u>2014</u>		<u>2013</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£	£	£	£
Amounts payable within one year (note 14)	461,534	-	307,979	-
Amounts payable between two to five years (note 15)	483,325	-	371,273	-
	<u>944,859</u>	<u>-</u>	<u>679,252</u>	<u>-</u>

17. CALLED UP SHARE CAPITAL

Authorised:				
50,000 ordinary shares of £1 each	50,000	50,000	50,000	50,000
Allotted, issued and fully paid:				
50,000 ordinary shares of £1 each	50,000	50,000	50,000	50,000
2 Special shares of £1 each	2	2	2	2
	<u>50,002</u>	<u>50,002</u>	<u>50,002</u>	<u>50,002</u>

Each special share of £1 has weighted voting rights to enable the holder to determine any resolution and has no rights on a distribution of income. Special share has preferential rights on a return of capital over the ordinary shares and equal rights on a return of capital against other shares of the same class and are not redeemable.

18. RESERVES

	Profit & loss account
	£
The Group:	
At 1 January 2014	2,116,567
Profit for the year	570,577
	<u>2,687,144</u>
At 31 December 2014	
The Company:	
At 1 January 2014	9,504
Profit for the year	-
	<u>9,504</u>
At 31 December 2014	

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>
	£	£
19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS		
Profit for the year	570,577	588,637
Dividends paid	-	-
Net additions to shareholders' funds	570,577	588,637
Opening shareholders' funds	2,166,569	1,577,932
Closing shareholders' funds	2,737,146	2,166,569
20. CAPITAL COMMITMENTS		
Contracted but not provided for	-	41,000

21. LEASE COMMITMENTS

Operating leases

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

	<u>2014</u>		<u>2013</u>	
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	-	115,376	-	168,000
With two to five years	185,291	130,296	-	-
Over five years	165,000	-	148,000	-
	350,291	245,672	148,000	168,000

22. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £32,377 (2013 : £38,528). Contributions totaling £5,620 (2013 : £2,974) were payable to the fund at the balance sheet date and are included in other creditors.

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

23. RELATED PARTIES

At 31 December 2014, the amount due to M J Peters, a director, was £1,174,245 (2013 : £1,197,628). The highest amount due to him during the year was £1,197,628 (1,197,628).

M J Peters has also given a personal guarantee to the invoice discounting provider of £975,000 (2013 : £975,000). The maximum guarantee outstanding at the year end was £308,714 (2013 : £184,845).

At 31 December 2014, the amount due to E A Peters was £170,000 (2013 : £181,000). The highest amount due to her during the year was £181,000 (2013 : £181,000). E A Peters is related to one of the directors.

Loan interest has been charged previously at 9% per annum on the loans from directors but the directors have agreed to waive the interest amounts due.

The company has taken advantage of the exemption under Financial Reporting Standard 8 Related Party Disclosures, not to disclose details of any transactions or balances between the group that have been eliminated on consolidation.

24. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is M J Peters, the majority shareholder in the company.

25. COMPANY PROFIT AND LOSS ACCOUNT

The company has relied on the exemption conferred by s.408 of the Companies Act 2006 and has not published a separate profit and loss account for the year.

RALPH PETERS & SONS LIMITEDNOTES TO THE ACCOUNTS31 DECEMBER 2014

26. PURCHASE OF BUSINESS OPERATIONS

2014

£

Cash Consideration

1,419,320

During the period the company acquired 100% of the share capital of EURL Beverage Concepts France. Further details in respect of this transaction are shown below:

£

EURL Beverage Concepts France

Net assets acquired:

Tangible fixed assets

5,528

Stocks

14,041

Debtors

21,465

Cash at bank and in hand

2,396

Creditors

(54,201)

Goodwill

(10,771)
657,479

646,708

The cost of the investment in Slush Puppie Limited consists of:

Cash paid

295,462

Deferred consideration

351,246

646,708

In addition, the company acquired the following assets from Beverage Concepts Benelux B.V.

Net assets acquired:

Tangible fixed assets

337,321

Stocks

98,463

Goodwill

435,784
336,828

772,612

The cost of the goodwill and assets comprised:

Cash paid

374,272

Deferred consideration

398,340

772,612