Registered number: 08276521

Clearly Drinks Brands Limited

Annual Report and Financial Statements

For the year ended 31 December 2018



Company information

Directors

Michael Alan Howard
Geoffrey Mark Hodgson

Registered Office

Riverside Industrial Estate
Riverside Road
Sunderland
England
SR5 3JG

Bankers

Clydesdale Bank PLC trading as Yorkshire Bank
94-96 Briggate
Leeds
LS1 6AD

Independent Auditors

PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle Upon Tyne
NE1 3AZ

Contents

	Page
Directors' report	4
Statement of directors' responsibilities in respect of the financial statements	5
Independent auditors' report to the members of Clearly Drinks Brands Limited	6
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12

Directors' report

for the year ended 31 December 2018

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

Principal activities

The principal activity of the company is that of brand and intellectual property holding.

Results and dividends

The results for the year show a loss after tax of £9,764 (2017 profit: £54,226) and net assets of £300,547 (2017: £310,311). The directors do not recommend the payment of a dividend.

Directors

The directors who served the company during the year and up to the date of signing these financial statements were as follows

Michael Alan Howard	(appointed 1 April 2018)
Geoffrey Mark Hodgson	(appointed 4 February 2019)
Finian James O'Driscoll	(resigned 29 January 2019)
Martin Vincent Thornton	(resigned 31 December 2018)

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Independent auditors

A resolution for the reappointment of PricewaterhouseCoopers LLP as auditors of the Company will be proposed at the forthcoming annual general meeting.

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

GML

Geoffrey Mark Hodgson
Director
27 September 2019

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors' report to the members of Clearly Drinks Brand Limited

Report on the audit of the financial statements

Opinion

In our opinion, Clearly Drinks Brands Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2018; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of Clearly Drinks Brand Limited

Report on the audit of the financial statements (continued)

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Independent auditors' report to the members of Clearly Drinks Brand Limited

Report on the audit of the financial statements (continued)

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

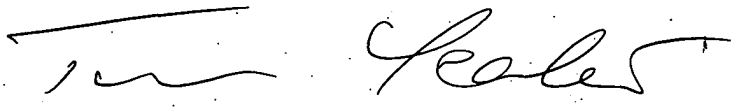
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
27 September 2019

Statement of comprehensive income

for the year ended 31 December 2018

	Notes	2018 £	2017 £
Administrative expenses		(11,764)	(81,916)
Other operating income		-	136,263
Operating (loss)/profit	2	(11,764)	54,347
Interest payable and similar expenses	5	-	(121)
(Loss)/profit before taxation		(11,764)	54,226
Tax on loss/profit	6	2,000	-
(Loss)/profit for the financial year		(9,764)	54,226

There were no recognised gains and losses for the year other than those included in the statement of comprehensive income.

There was no other comprehensive income for the year.

The notes on pages 12 to 18 form part of these financial statements.

Statement of financial position

As at 31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Intangible assets	7	-	-
Current assets			
Debtors	8	321,640	319,414
		321,640	319,414
Current liabilities			
Creditors: amounts falling due within one year	9	(21,093)	(9,103)
Net current assets		300,547	310,311
Total assets less current liabilities		300,547	310,311
Net assets		300,547	310,311
Capital and reserves			
Called up share capital	11	1	1
Retained earnings		300,546	310,310
Total equity		300,547	310,311

The financial statements on pages 9 to 18 were approved and authorised for issue by the board and were signed on its behalf by

Geoffrey Mark Hodgson
Director

27 September 2019

The notes on pages 12 to 18 form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2018

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2017	1	256,084	256,085
Comprehensive income for the year			
Profit for the year	-	54,226	54,226
Total comprehensive income for the year	-	54,226	54,226
At 31 December 2017	1	310,310	310,311
Comprehensive expense for the year			
Loss for the year	-	(9,764)	(9,764)
Total comprehensive expense for the year	-	(9,764)	(9,764)
At 31 December 2018	1	300,546	300,547

Notes to the financial statements

for the year ended 31 December 2018

1. Accounting policies

Basis of preparation of financial statements

Clearly Drinks Brands Limited is a private company limited by shares incorporated and domiciled in England, United Kingdom. The company's principal place of business is Riverside Industrial Estate, Riverside Road, Sunderland, SR5 3JG.

The principal activity of the company is that of brand and intellectual property holding.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006.

The preparation of financial statements, in compliance with FRS 102, requires the use of certain critical accounting estimates. The accounting policies have been applied consistently. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the company, and rounded to the nearest £.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the support available from the parent company.

The company meets the definition of a qualifying entity under FRS 102 since it is a wholly owned subsidiary of Acorn Topco Limited which prepares consolidated financial statements which include the company. The company has taken advantage of the following disclosure exemptions as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) to prepare a statement of cashflows
- The requirement of Section 33 Related Party Disclosures paragraph 33.7 to disclose key management compensation.

The consolidated financial statements of Acorn Topco Limited which include the disclosures above are available from its registered office: Riverside Industrial Estate, Riverside Road, Sunderland, Tyne & Wear, SR5 3JG.

The following principal accounting policies have been applied:

Other operating income

Other operating income comprises royalty income from brands utilised by group undertakings. Royalty income is recognised evenly other the period of the licence agreement.

Intangible fixed assets

Intangible assets are initially recorded at cost and are subsequently stared at cost less amortisation and any impairment losses. Amortisation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Amortisation is provided on the following basis:

Patents, trademarks and licenses - 20% straight line

Notes to the financial statements

for the year ended 31 December 2018

1. Accounting policies (continued)

Intangible fixed assets (continued)

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

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting 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 reporting date to assess whether there is any indication that the impairment losses recognised in prior years may no longer exist or may have decreased.

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.

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

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

for the year ended 31 December 2018

1. Accounting policies (continued)

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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive Income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Critical accounting judgements and estimation uncertainty

The company makes estimates and assumptions concerning the future. The estimates and assumptions that are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management do not consider there to be any critical accounting judgements or estimates in the current year.

Notes to the financial statements

for the year ended 31 December 2018

2. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2018 £	2017 £
Amortisation of intangible assets	-	10,000

3. *Auditors' remuneration*

The fee in connection with the audit of the financial statements is borne by the intermediate parent company, Acorn Bidco Limited. The audit fee for the group is £51,500 (2017: £41,500).

4. Employees

The average number of people employed by the company during the year, including Directors, was nil (2017: nil).

Directors emoluments are borne by Acorn Bidco Limited, the intermediate parent company.

5. Interest payable and similar expenses

	2018 £	2017 £
Bank Interest	-	121

Notes to the financial statements

for the year ended 31 December 2018

6. Tax on (loss)/profit

	2018 £	2017 £
Corporation tax		
Current tax on (loss)/profit for the year	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	(2,000)	-
Total deferred tax credit	(2,000)	-
Tax credit on loss for the year	(2,000)	-

Factors affecting tax credit for the year

The tax assessed for the year is higher than the standard rate of corporation tax in UK of 19% (2017:19.25%). The differences are explained below:

	2018 £	2017 £
(Loss)/ profit before tax	(11,764)	54,226
(Loss)/ profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(2,235)	10,439
Effects of:		
Group relief surrendered	-	(10,439)
Tax rate differences	235	-
Total tax credit for the year	(2,000)	-

7. Intangible assets

	Patents, trademarks and licenses £
Cost	
At 1 January and 31 December 2018	50,000
Accumulated amortisation	
At 1 January and 31 December 2018	50,000
Net book value	
At 31 December 2017 and 31 December 2018	-

Notes to the financial statements

for the year ended 31 December 2018

8. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	319,414	319,414
Other debtors	226	-
Deferred tax	2,000	-
	321,640	319,414

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings in which the company has a participating interest	21,093	9,099
Other creditors	-	4
	21,093	9,103

10. Deferred Tax

	2018 £
At 1 January 2018	-
Credited to the profit & loss account	2,000
At 31 December 2018	2,000
The provision for deferred taxation is made up as follows:	
Tax losses	2,000
	2,000

11. Called up Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 ordinary share of £1 each, (2017:1)	1	1
	1	1

Notes to the financial statements

for the year ended 31 December 2018

12. Controlling party

The immediate parent company is Clearly Drinks Group Limited, a member of the Acorn Topco group of companies. The consolidated financial statement of this group are available to the public and may be obtained from Acorn Topco Limited, Riverside Industrial Estate, Riverside Road, Sunderland, Tyne & Wear, SR5 3JG. The ultimate controlling party is NorthEdge Capital LLP.