

# Red Bull Company Limited

## Report and financial statements

For the year ended 31 December 2015

Registered number: 02790349



**Company Information**

<b>Directors</b>	D Mateschitz C Yoovidhya R Maas-Geesteranus A Shaw
<b>Company secretary</b>	R Maas-Geesteranus
<b>Registered number</b>	02790349
<b>Registered office</b>	155-171 Tooley Street London SE1 2JP
<b>Independent auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Bankers</b>	HSBC Bank Plc Poultry and Princes Street London EC2P 2BX

## Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 7
Statement of income and retained earnings	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11 - 26

## Strategic report

For the year ended 31 December 2015

The directors present their strategic report and financial statements for the year ended 31 December 2015.

### Principal activities and review of the business

The company is principally engaged in the marketing and distribution of the Red Bull Energy Drink in both Great Britain (GB) and Ireland (Northern Ireland and the Republic of Ireland). This product is supplied by Red Bull GmbH. In addition, we are also distributing the Monsoon Valley brands within Great Britain.

The company's key financial and other performance indicators during the year were as follows:

	2015 £	2014 £	Change %
Turnover	233,505,880	236,117,194	-1.11
Marketing costs	51,651,900	54,150,041	-4.61
Sales and administrative expenses	26,108,351	26,523,574	-1.57
Profit for the financial year	15,578,504	15,751,735	-1.10

	2015 %	2014 %	Change %
Marketing costs as % of turnover	23.4	22.9	2.18
Sales and administrative expenses as % of turnover	12.3	11.2	9.82
Profit for the financial year as % of turnover	6.7	6.7	0.00

	2015	2014	Change %
Trade debtor days	50 days	49 days	2.04
Headcount	230 heads	244 heads	-5.74

The company's year on year turnover decreased by £2.6m, which is a decrease of 1.1% compared to 2014. The performance in the UK during 2015 was mixed in a highly competitive marketplace. The year started well with strong volumes and successful sales and marketing activities including: the launch of Red Bull Tropical; distribution of larger product sizes increasing ahead of plan; and in the on premise the "win back" programme worked effectively by securing key customers in the trade. The Irish performance is in line with expectations but due to exchange rates effects had an unfavorable impact on the turnover. Performance slowed in H2 however due to the impact of the weakened Euro vs GBP increasing the amount of non-UK stock entering the market.

In 2015, the company again successfully organised a number of major national events such as: "Zero Excuses" a Q1 marketing campaign of Red Bull Sugar Free and Zero; the second edition of the Wings for Life World Run in Silverstone; another Soapbox event at Alexander Palace in London; the Red Bull Future Underground a 3 day music event in London; an on premise Red Bull can campaign with the UK group Disclosure and Harbour Reach a wakeboard event in Liverpool. We also hosted another leg of the Red Bull Air Race World Series, held at Ascot. Finally, Red Bull Company Limited launched another successful on line short movie "Kaleidoscope" about Kriss Kyle a BMX athlete. Overall the marketing calendar has been executed as planned, and on budget. Consumer metrics show increases in overall P4W consumption which is encouraging.

Management is confident to deliver a result in line with plan for 2016.

## Strategic report (continued)

### Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the company to be as follows:

#### *Competitive risks*

- competition will remain challenging within the soft drink category. A launch of a new Red Bull flavor in Q1, increased distribution opportunities within nontraditional channels and further focus on preferred price points are key focus areas for the UK organization;
- the launch of the "One Can You Can" campaign will have focus on lower calorie products such as the Red Bull Sugar Free and Zero variants; and
- Red Bull expect that the euro / sterling conversion will have an unfavourable effect on the turnover.

#### *Legislative risk*

- legislation governing food and beverage supply is complex and dynamic. The company mitigates the risk associated with changing legislative requirements, through incorporation within the day to day working practices of the company. The legal and customer sales teams work closely with customers to endure the highest standards and best practices are engaged throughout the company's supply chain;

#### *Financial management risks*

The company has two objectives:

- to ensure sufficient working capital exists to achieve the company's objectives; and
- to minimise the amount of any borrowings, if and when required.

#### *Exposure to credit, liquidity and cash flow risk*

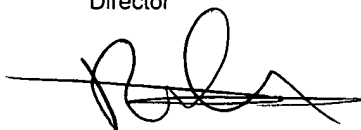
- the company grants credit to customers who can satisfy the company's credit assessment procedures with the objective to minimise any credit risk;
- liquidity risk is mitigated by ensuring the company's payment terms are adhered to by its customers, and that the company's exposure to borrowings is limited;
- the company generates sales in the Republic of Ireland in Euro's and therefore has exposure to foreign exchange risk. This risk is managed at a group wide level, as the group has substantial Euro denominated operations; and
- the company manages the variability in cash flow receipts to ensure its cash flow risk is minimised.

#### *Regulation risks*

- this is the first year in which the entity has prepared its financial statements in accordance with Financial Reporting Standard 102; and
- other legislation such as the requirements of the Companies Act 2006, the Bribery Act, and the new Agency Workers Regulations are monitored regularly by both the legal and finance teams.

This report was approved by the board on 4 February 2016 and signed on its behalf.

**R Maas-Geesteranus**  
Director



## **Directors' report**

For the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

### **Results and dividends**

The profit for the year, after taxation, amounted to £15,578,504 (2014: £15,751,735).

### **Going concern**

After making enquiries and preparing forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. The company's parent undertaking, Red Bull GmbH, confirmed to the Directors that it has no plans or intentions that would materially affect the ordinary operations of the company within the next 12 months or the carrying value or classification of its assets and liabilities at 31 December 2015 and has no plans or intentions to demand repayment of intercompany loans unless the company has the facilities to repay them.

### **Directors**

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

D Mateschitz  
C Yoovidhya  
R Maas-Geesteranus  
A Shaw

### **Political donations**

There were no political donations made in the year or the previous year.

### **Future developments**

The directors are confident that the business will continue to adhere to their projected long-term plans.

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

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

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

### **Events since the balance sheet date**

The directors are unaware of any adjusting post balance sheet events up to the date of signing this report.

**Directors' report**

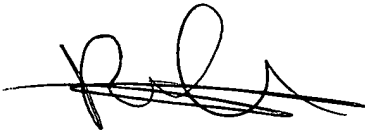
For the year ended 31 December 2015

**Auditors**

In accordance with the s485 of the Companies Act 2006 a resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 4 February 2016 and signed on its behalf.

**R Maas-Geesteranus**  
Director

A handwritten signature in black ink, appearing to be 'R Maas-Geesteranus', written over a horizontal line.

## **Directors' responsibilities statement**

For the year ended 31 December 2015

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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



## **Independent auditor's report to the members of Red Bull Company Limited**

For the year ended 31 December 2015

We have audited the financial statements of Red Bull Company Limited for the year ended 31 December 2015, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 statement**

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 Report and Financial Statements 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 company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly 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 the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Red Bull Company Limited**  
For the year ended 31 December 2015

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

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

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

*Ernst & Young LLP*

Sandra Thompson (Senior statutory auditor)  
for and on behalf of  
Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

Date: *5 February 2016*

**Statement of income and retained earnings**

For the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	233,505,880	236,117,194
Cost of sales		<u>(135,588,521)</u>	<u>(135,024,765)</u>
<b>Gross profit</b>		<b>97,917,359</b>	101,092,429
Distribution costs		<u>(51,651,900)</u>	<u>(54,150,041)</u>
Administrative expenses		<u>(26,108,351)</u>	<u>(26,523,574)</u>
<b>Operating profit</b>	5	<b>20,157,108</b>	20,418,814
Interest receivable and similar income	8	<u>11,157</u>	<u>11,419</u>
<b>Profit on ordinary activities before taxation</b>		<b>20,168,265</b>	20,430,233
Taxation on profit on ordinary activities	9	<u>(4,589,761)</u>	<u>(4,678,498)</u>
<b>Profit for the financial year</b>		<b><u>15,578,504</u></b>	<b><u>15,751,735</u></b>
Retained earnings at the beginning of the year		<u>16,252,385</u>	12,500,650
		<b>16,252,385</b>	12,500,650
Profit for the financial year		<b>15,578,504</b>	15,751,735
Dividends declared and paid	10	<u>(16,000,000)</u>	<u>(12,000,000)</u>
<b>Retained earnings at the end of the year</b>		<b><u>15,830,889</u></b>	<b><u>16,252,385</u></b>

The notes on pages 11 to 26 form part of these financial statements.

## Statement of financial position

As at 31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	11	104,924	133,874
Tangible assets	12	7,034,972	7,095,852
		<u>7,139,896</u>	<u>7,229,726</u>
<b>Current assets</b>			
Stocks	13	16,349,830	16,288,432
Debtors: Amounts falling due after more than one year	14	1,020,470	1,046,893
Debtors: Amounts falling due within one year	14	33,026,702	37,544,774
Cash at bank and in hand	15	3,776,205	2,964,453
		<u>54,173,207</u>	<u>57,844,552</u>
Creditors: Amounts falling due within one year	16	(38,030,072)	(41,369,751)
<b>Net current assets</b>		<u>16,143,135</u>	<u>16,474,801</u>
<b>Total assets less current liabilities</b>		<u>23,283,031</u>	<u>23,704,527</u>
<b>Net assets</b>		<u>23,283,031</u>	<u>23,704,527</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000	1,000
Other reserves	19	7,451,142	7,451,142
Retained earnings	19	15,830,889	16,252,385
		<u>23,283,031</u>	<u>23,704,527</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 February 2016.

**R Maas-Geesteranus**  
Director

The notes on pages 11 to 26 form part of these financial statements.



**Statement of cash flows**

For the year ended 31 December 2015

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	15,578,504	15,751,735
<b>Adjustments for:</b>		
Amortisation of intangibles	84,750	67,081
Depreciation of tangibles	3,402,532	3,582,098
Loss/(gain) on disposal of tangibles	13,870	(6,976)
Increase in stocks	(61,398)	(603,293)
Interest received	(11,157)	11,419
Corporation tax charge	4,589,761	4,678,498
Decrease/(increase) in debtors	4,195,560	(1,323,694)
Decrease/(increase) in amounts owed by groups	322,513	(180,281)
Decrease in creditors	(3,893,880)	(1,701,129)
Increase/(decrease) in amount owed to groups	634,512	(1,744,460)
Corporation tax paid	(4,643,649)	(4,149,999)
<b>Net cash generated from operating activities</b>	<u>20,211,918</u>	<u>14,380,999</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(55,800)	-
Purchase of tangible fixed assets	(3,407,470)	(2,925,352)
Sale of tangible fixed assets	51,948	6,976
Interest received	11,157	(11,419)
<b>Net cash used in investing activities</b>	<u>(3,400,165)</u>	<u>(2,929,795)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(16,000,000)	(12,000,000)
<b>Net cash used in financing activities</b>	<u>(16,000,000)</u>	<u>(12,000,000)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>811,753</u>	<u>(548,796)</u>
Cash and cash equivalents at beginning of year	2,964,453	3,513,249
<b>Cash and cash equivalents at the end of year</b>	<u>3,776,206</u>	<u>2,964,453</u>
Cash at bank and in hand	<u>3,776,205</u>	<u>2,964,453</u>

There are no reconciling items between Cash and cash equivalents at the end of the year and the Cash at bank and in hand.

## Notes to the financial statements

For the year ended 31 December 2015

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 26. No FRS 102 exemptions have been adopted.

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

The following principal accounting policies have been applied consistently throughout:

#### 1.2 Turnover

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

##### Sale of goods

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

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

#### 1.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

#### 1.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method. In practice, if the interest cash flows are not materially different from the effective interest amount, then the interest cash flows are recorded as they occur.

## Notes to the financial statements

For the year ended 31 December 2015

### 1. Accounting policies (continued)

#### 1.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the period of the lease.

#### 1.6 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.

#### 1.7 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Income and Retained Earnings during the period in which they are incurred.

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

The estimated useful lives range as follows:

Short-term leasehold property or improvements	-	over the term of the lease
Motor vehicles	-	20% - 33.33% per annum
Fixtures and fittings	-	20% years
Promotional equipment	-	33.33% per annum
Computer equipment	-	33.33% per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

#### 1.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

## Notes to the financial statements

For the year ended 31 December 2015

### 1. Accounting policies (continued)

#### 1.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 1.10 Cash at bank and in hand

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

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

#### 1.11 Creditors

Short term creditors are measured at the transaction price.

#### 1.12 Foreign currency translation

##### *Functional and presentation currency*

The company's functional and presentational currency is GBP.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.



## Notes to the financial statements

For the year ended 31 December 2015

### 1. Accounting policies (continued)

#### 1.13 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

#### 1.14 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

#### 1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 operates and generates income.

Deferred 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised on an undiscounted basis.

### 2. Company details

Red Bull Company Limited is a private company limited by shares and is registered in England. Its company registration number is 02790349. The registered office of the company is 155-171 Tooley Street, London, SE1 2JP.

## Notes to the financial statements

For the year ended 31 December 2015

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements: the useful lives of fixed assets, the recoverability of the accounts receivable and the valuation of accruals and provisions.

### 4. Analysis of turnover

Turnover, which is stated net of trade discounts and value added tax, is primarily attributable to the marketing and distribution of energy and other drinks in Great Britain and Ireland. All turnover is in respect of continuing activities. Geographical turnover by destination is as follows:

	2015 £	2014 £
United Kingdom	204,216,257	212,652,705
Rest of Europe	29,289,623	23,464,489
	<u>233,505,880</u>	<u>236,117,194</u>

### 5. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	3,402,532	3,649,179
Amortisation of intangible assets, including goodwill	84,750	-
Fees payable to the company's auditor for the audit of the company's annual accounts	89,000	86,683
FRS 102 audit	15,000	-
Exchange differences	74,256	136,619
Defined contribution pension cost	726,968	782,069
Operating lease rentals - land and buildings	540,906	540,906
Operating lease rentals - plant and machinery	206,993	431,373
	<u>7,286,908</u>	<u>6,276,279</u>

**Notes to the financial statements**

For the year ended 31 December 2015

**6. Employees**

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

	2015 £	2014 £
Wages and salaries	13,701,751	14,174,289
Social security costs	1,441,338	1,464,600
Cost of defined contribution scheme	726,968	782,069
	<u>15,870,057</u>	<u>16,420,958</u>

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

	2015 No.	2014 No.
Sales	146	139
Operations	8	8
Marketing	40	52
Finance	15	18
Administration	21	27
	<u>230</u>	<u>244</u>

**7. Directors' remuneration**

Three directors received emoluments in the year (2014 - three). The emoluments including benefits in kind were:

	2015 £	2014 £
Directors' emoluments	995,600	834,363
Company contributions to defined contribution pension schemes	41,000	38,249
	<u>1,036,600</u>	<u>872,612</u>

The highest paid director received remuneration of £637,219 (2014 - £521,949).

**8. Interest receivable**

	2015 £	2014 £
Interest receivable	11,157	11,419
	<u>11,157</u>	<u>11,419</u>

**Notes to the financial statements**

For the year ended 31 December 2015

**9. Taxation**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	4,494,217	4,780,807
Adjustments in respect of previous periods	69,121	7,860
<b>Total current tax</b>	<u>4,563,338</u>	<u>4,788,667</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(73,551)	(134,154)
Adjustments to deferred tax charge in respect of prior years	(5,240)	14,626
Effect of charge change in tax rate on opening liability	105,214	9,359
<b>Total deferred tax</b>	<u>26,423</u>	<u>(110,169)</u>
<b>Taxation on profit on ordinary activities</b>	<u>4,589,761</u>	<u>4,678,498</u>

## Notes to the financial statements

For the year ended 31 December 2015

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>20,168,265</u>	<u>20,430,233</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	4,084,074	4,392,500
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	357,180	254,153
Adjustments to tax charge in respect of prior periods	69,121	7,860
Adjustment to brought forward values	(31,475)	-
Adjustments to deferred tax charge in respect of prior years	(5,240)	14,626
Effect in change of tax rate	116,101	9,359
<b>Total tax charge for the year</b>	<u><u>4,589,761</u></u>	<u><u>4,678,498</u></u>

#### Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% took effect from 1 April 2015. Legislation has also been substantively enacted to reduce the corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

### 10. Dividends

	2015 £	2014 £
Dividends paid	<u><u>16,000,000</u></u>	<u><u>12,000,000</u></u>

**Notes to the financial statements**

For the year ended 31 December 2015

**11. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 January 2015	550,546
Additions	55,800
<b>At 31 December 2015</b>	<u>606,346</u>
<b>Amortisation</b>	
At 1 January 2015	416,672
Charge for the year	84,750
<b>At 31 December 2015</b>	<u>501,422</u>
<b>Net book value</b>	
<b>At 31 December 2015</b>	<u>104,924</u>
At 31 December 2014	<u>133,874</u>

**Notes to the financial statements**

For the year ended 31 December 2015

**12. Tangible fixed assets**

	Short-term leasehold property or improvements £	Motor vehicles £	Fixtures and fittings £	Promotional equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2015	3,718,869	4,358,452	1,083,683	7,705,572	718,432	17,585,008
Additions	69,838	1,532,552	148,549	1,310,491	346,040	3,407,470
Disposals	-	(454,083)	-	-	-	(454,083)
<b>At 31 December 2015</b>	<b>3,788,707</b>	<b>5,436,921</b>	<b>1,232,232</b>	<b>9,016,063</b>	<b>1,064,472</b>	<b>20,538,395</b>
<b>Depreciation</b>						
At 1 January 2015	1,996,140	2,593,694	854,002	4,557,811	487,509	10,489,156
Charge owned for the period	357,664	595,032	133,748	2,101,908	214,180	3,402,532
Disposals	-	(388,265)	-	-	-	(388,265)
<b>At 31 December 2015</b>	<b>2,353,804</b>	<b>2,800,461</b>	<b>987,750</b>	<b>6,659,719</b>	<b>701,689</b>	<b>13,503,423</b>
<b>At 31 December 2015</b>	<b>1,434,903</b>	<b>2,636,460</b>	<b>244,482</b>	<b>2,356,344</b>	<b>362,783</b>	<b>7,034,972</b>
At 31 December 2014	1,722,729	1,764,758	229,681	3,147,761	230,923	7,095,852

**13. Stocks**

	2015 £	2014 £
Goods for resale	15,381,670	14,834,058
Promotional material	968,160	1,454,374
	<b>16,349,830</b>	<b>16,288,432</b>

Stock recognised in cost of sales during the year as an expense was £130,094,007 (2014 - £129,468,169).

An impairment loss of £137,692 (2014 - £59,422) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**Notes to the financial statements**

For the year ended 31 December 2015

**14. Debtors**

	2015 £	2014 £
<b>Due after more than one year</b>		
Deferred tax asset	1,020,470	1,046,893
	<u>1,020,470</u>	<u>1,046,893</u>
	2015 £	2014 £
<b>Due within one year</b>		
Trade debtors	31,755,303	36,059,242
Amounts owed by group undertakings	426,025	748,538
Other debtors	537,634	118,483
Prepayments and accrued income	307,740	618,511
	<u>33,026,702</u>	<u>37,544,774</u>

**15. Cash and cash equivalents**

	2015 £	2014 £
Cash at bank and in hand	3,776,205	2,964,453

**16. Creditors: Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	1,455,352	2,192,771
Amounts owed to group undertakings	17,614,768	16,980,256
Corporation tax	2,213,365	2,293,676
Taxation and social security	3,181,983	4,185,153
Other creditors	62,768	-
Accruals and deferred income	13,501,836	15,717,895
	<u>38,030,072</u>	<u>41,369,751</u>



**Notes to the financial statements**

For the year ended 31 December 2015

**17. Basic financial instruments**

	2015	2014
	£	£
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments	<b>32,718,962</b>	36,926,263
	<u><b>32,718,962</b></u>	<u>36,926,263</u>
<b>Financial liabilities</b>		
Financial liabilities	<b>(32,634,724)</b>	(34,890,922)
	<u><b>(32,634,724)</b></u>	<u>(34,890,922)</u>

Financial assets comprise trade debtors, other debtors and amounts owed by group companies.

Financial liabilities comprise trade creditors, amounts owed to group undertakings, corporation tax and taxation and social security.

**18. Deferred tax provision**

The deferred tax asset consists of:

	2015	2014
	£	£
Accelerated capital allowances	<b>988,572</b>	1,034,937
Short term timing differences	<b>31,898</b>	11,956
	<u><b>1,020,470</b></u>	<u>1,046,893</u>

The movement in the deferred tax balance in the year was as follows:

At 1 January	<b>1,046,893</b>	936,724
(Credited)/charged to the profit or loss	<b>(26,423)</b>	110,169
At 31 December	<u><b>1,020,470</b></u>	<u>1,046,893</u>

The company had capital losses brought forward of £2,901,303 (2014: £2,901,303). No deferred tax asset has been recognised as these losses are unlikely to be utilised in the foreseeable future.

## Notes to the financial statements

For the year ended 31 December 2015

### 19. Reserves

#### Retained earnings

The retained earnings account includes all current and prior retained profit and losses.

#### Other reserves

Other reserves were capital commitments.

### 20. Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 21. Contingent liabilities

There were no contingent liabilities at 31 December 2015 or 31 December 2014.

### 22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £77,031 (2014 - £38,249). Contributions totalling £726,968 (2014 - £782,068) were payable to the fund at 31 December 2015 and are included in creditors.

**Notes to the financial statements**

For the year ended 31 December 2015

**23. Commitments under operating leases**

At 31 December 2015 the total future minimum lease payments under non-cancellable operating leases for each of the following periods were:

	2015 £	2014 £
<b>Plant and machinery</b>		
Not later than 1 year	29,599	165,906
Later than 1 year and not later than 5 years	-	11,557
Later than 5 years	-	-
	<u>29,599</u>	<u>177,463</u>
<b>Land and buildings</b>		
Not later than 1 year	961,351	961,351
Later than 1 year and not later than 5 years	2,341,483	3,302,835
Later than 5 years	-	-
	<u>3,302,834</u>	<u>4,264,186</u>

**24. Related party transactions**

During the year the company acquired goods for resale and marketing to the value of £132,251,405 (2014 - £134,245,659) from Red Bull GmbH, a shareholder of the company. D Mateschitz is a director of Red Bull Company Limited and Red Bull GmbH. The total amount owed to Red Bull GmbH at 31 December 2015 was £17,597,815 (2014 - £16,963,577).

During the year the company acquired goods for resale and marketing to the value of £118,760 from Siam Winery Trading Plus (2014 - £136,274). C Yoovidhya is a director of both Siam Winery Trading Plus and Red Bull Company Limited. The total amount owed to Siam Winery Trading Plus at 31 December 2015 was £69,493 (2014 - £nil).

During the year the company recharged costs relating to salaries and office rental to other Red Bull group companies to the value of £3,326,766 (2014 - £2,452,283). Aggregated at 31 December 2015, these Red Bull Companies owed £425,545 (2014 - £761,343) to the Company.

**25. Controlling party**

In the directors' opinion, the company's ultimate controlling parent undertaking and controlling party is Jerrard Co. Limited, a company registered in The British Virgin Islands.

**Red Bull Company Limited**

**Notes to the financial statements** For the year ended 31 December 2015

26. First time adoption of FRS 102

	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
	Note					
Tangible fixed assets	2	7,953,554	(106,541)	7,847,013	7,229,726	(133,873)
Intangible fixed assets		-	106,541	106,541	-	133,873
<b>Fixed assets</b>		<b>7,953,554</b>	<b>-</b>	<b>7,953,554</b>	<b>7,229,726</b>	<b>-</b>
Current assets		52,662,662	-	52,662,662	54,880,099	-
Cash at bank and in hand		3,513,249	-	3,513,249	2,964,453	-
Creditors: amounts falling due within one year	1	(44,021,243)	(155,430)	(44,176,673)	(41,214,321)	(155,430)
<b>Net current assets</b>		<b>12,154,668</b>	<b>(155,430)</b>	<b>11,999,238</b>	<b>16,630,231</b>	<b>(155,430)</b>
<b>Total assets less current liabilities</b>		<b>20,108,222</b>	<b>(155,430)</b>	<b>19,952,792</b>	<b>23,859,957</b>	<b>(155,430)</b>
<b>Net assets</b>		<b>20,108,222</b>	<b>(155,430)</b>	<b>19,952,792</b>	<b>23,859,957</b>	<b>(155,430)</b>
Capital and reserves		20,108,222	(155,430)	19,952,792	23,859,957	(155,430)

## Notes to the financial statements

For the year ended 31 December 2015

## 26. First time adoption of FRS 102 (continued)

	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Turnover	236,117,194	-	236,117,194
Cost of sales	(135,024,765)	-	(135,024,765)
	<b>101,092,429</b>	-	<b>101,092,429</b>
Distribution expenses	(54,150,041)	-	(54,150,041)
Administrative expenses	(26,523,574)	-	(26,523,574)
	<b>20,418,814</b>	-	<b>20,418,814</b>
Operating profit	<b>20,418,814</b>	-	<b>20,418,814</b>
Interest receivable and similar income	11,419	-	11,419
Taxation	(4,678,498)	-	(4,678,498)
	<b>15,751,735</b>	-	<b>15,751,735</b>
<b>Profit on ordinary activities after taxation and for the financial year</b>	<b>15,751,735</b>	-	<b>15,751,735</b>

Explanation of changes to previously reported profit and equity:

- 1 A holiday pay accrual adjustment of £155,430 was made as at 1 January 2014, for which the adjustment was made to the Statement of Income and Retained Profits. As such, there is no adjustment required in the year ended 31 December 2014.
- 2 As at 1 January 2014, computer software was transferred from tangible fixed assets to intangible fixed assets. There was no impact on the total fixed assets.