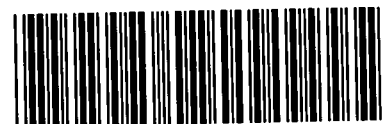


LUSCOMBE DRINKS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018



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30/09/2019
COMPANIES HOUSE

LUSCOMBE DRINKS LIMITED
REGISTERED NUMBER:02200398

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	11,250	26,250
Tangible assets	5	594,214	676,771
		<u>605,464</u>	<u>703,021</u>
Current assets			
Stocks		1,728,506	1,281,701
Debtors: amounts falling due within one year	7	1,012,024	815,829
Cash at bank and in hand	8	37,849	215,119
		<u>2,778,379</u>	<u>2,312,649</u>
Creditors: amounts falling due within one year	9	(1,995,889)	(1,151,261)
Net current assets		<u>782,490</u>	<u>1,161,388</u>
Total assets less current liabilities		<u>1,387,954</u>	<u>1,864,409</u>
Creditors: amounts falling due after more than one year		(54,929)	(129,011)
Provisions for liabilities			
Deferred tax		-	(29,938)
		<u>-</u>	<u>(29,938)</u>
Net assets		<u><u>1,333,025</u></u>	<u><u>1,705,460</u></u>
Capital and reserves			
Called up share capital		9	9
Profit and loss account		1,333,016	1,705,451
		<u><u>1,333,025</u></u>	<u><u>1,705,460</u></u>

LUSCOMBE DRINKS LIMITED
REGISTERED NUMBER:02200398


STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



G L David
Director

Date:

27 Sep 2019.

The notes on pages 3 to 13 form part of these financial statements.

LUSCOMBE DRINKS LIMITED

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

1. General information

Luscombe Drinks Limited is a private company limited by shares, with the registered address Dean Court, Lower Dean, Buckfastleigh, England, TQ11 0LT. The company number is 02200398 and the principal activity is the production of soft drinks, mineral waters and other bottled waters. Luscombe Drinks Limited was incorporated in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

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 2018**

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

- the 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 revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Government grants

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

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.7 Finance costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.8 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 payment 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.

2.9 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 charge 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 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; 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 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 ten years.

The estimated useful lives range as follows:

Intellectual property	-	10% Straight line
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.11 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following methods.

Depreciation is provided on the following basis:

Property Improvements	- 10% Straight line
Plant and machinery	- 15%-25% Reducing balance
Motor vehicles	- 25% Reducing balance
Office equipment	- 25% Reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.12 Stocks

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

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

2.13 Debtors

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

2.14 Cash and cash equivalents

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

2.15 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.17 Financial instruments

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

2.18 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.

3. Employees

The average monthly number of employees, including directors, during the year was 55 (2017: 53).

LUSCOMBE DRINKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Intangible assets

	Intellectual Property £
Cost	
At 1 January 2018	150,000
At 31 December 2018	<u>150,000</u>
Amortisation	
At 1 January 2018	123,750
Charge for the year	15,000
At 31 December 2018	<u>138,750</u>
Net book value	
At 31 December 2018	<u><u>11,250</u></u>
At 31 December 2017	<u><u>26,250</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**
5. Tangible fixed assets

	Property improvements £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 January 2018	740,701	2,050,997	77,703	21,010	2,890,411
Additions	1,030	66,064	-	10,405	77,499
At 31 December 2018	741,731	2,117,061	77,703	31,415	2,967,910
Depreciation					
At 1 January 2018	552,447	1,595,559	63,360	2,274	2,213,640
Charge for the year on owned assets	39,154	111,815	3,193	5,894	160,056
At 31 December 2018	591,601	1,707,374	66,553	8,168	2,373,696
Net book value					
At 31 December 2018	150,130	409,687	11,150	23,247	594,214
At 31 December 2017	188,254	455,438	14,343	18,736	676,771

Included within the net book value of tangible fixed assets is £15,469 (2017: £19,915) in respect of assets held under hire purchase agreements. Depreciation for the year on these assets was £4,446 (2017: £5,725).

LUSCOMBE DRINKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****6. Stocks**

	2018	2017
	£	£
Raw materials and consumables	860,763	888,097
Finished goods and goods for resale	867,743	393,604
	<u>1,728,506</u>	<u>1,281,701</u>

7. Debtors

	2018	2017
	£	£
Trade debtors	666,459	511,611
Amounts owed by joint ventures and associated undertakings	52,548	45,761
Other debtors	1,101	133,165
Prepayments and accrued income	291,916	125,292
	<u>1,012,024</u>	<u>815,829</u>

8. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	37,849	215,119
	<u>37,849</u>	<u>215,119</u>

LUSCOMBE DRINKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	1,025,305	571,145
Other taxation and social security	102,984	113,716
HP liabilities and finance leases	81,498	88,914
Invoice discounting facility	417,720	-
Other creditors	236,261	142,695
Accruals and deferred income	132,121	234,791
	<u>1,995,889</u>	<u>1,151,261</u>

A fixed charge is in place over property, buildings, fixtures, plant and machinery, motor vehicles, computer equipment, non-vesting invoices, other invoices required to be paid into nominated accounts and cash, credit balances on any nominated accounts, goodwill, intellectual property, securities, group loans, insurance rights and uncalled capital. A floating charge exists over property, assets and rights not under a fixed charge.

10. Creditors: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	54,929	129,011
	<u>54,929</u>	<u>129,011</u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	81,498	81,498
Between 1-5 years	54,929	136,427
	<u>136,427</u>	<u>217,925</u>

Obligations under hire purchase agreements are secured against the assets to which they relate.

LUSCOMBE DRINKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Deferred taxation

	2018 £	2017 £
At beginning of year	(29,938)	(72,816)
Utilised in year	29,938	42,878
At end of year	-	(29,938)

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	(63,032)	(70,208)
Tax losses carried forward	62,744	39,917
Short term timing differences - trading	288	353
	-	(29,938)

13. Share capital

	2018 £	2017 £
ALLOTTED, CALLED UP AND FULLY PAID		
45 (2017: 45) Class A shares of £0.10 each	5	5
33 (2017: 33) Class B shares of £0.10 each	3	3
12 (2017: 12) Class C shares of £0.10 each	1	1
	9	9

14. Commitments under operating leases

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

	2018 £	2017 £
Not later than 1 year	27,155	45,582
Later than 1 year and not later than 5 years	29,388	58,551
	56,543	104,133

LUSCOMBE DRINKS LIMITED

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

15. Related party transactions

During the year the company made the following related party transactions:

Kineta Drinks Limited

During the year, three of the directors, G L David, E T Dewing and J M Spreadbury were also directors of Kineta Drinks. During the year, Luscombe Drinks Limited received income from sales to Kineta Drinks Limited of £9,207 (2017: £38,688). At the year end, Kineta Drinks Limited owed Luscombe Drinks Limited £9,207 (2017: £51,185)

Lion and Unicorn Limited

Two of the directors, G L David and V David are also directors of Lion and Unicorn Limited. At the year end, Lion and Unicorn Limited owed Luscombe Drinks Limited £500 (2017: £500).

SCOPS Drinks Limited

G L David is also a director of SCOPS Drinks Limited and were for the entire year. During the year, Luscombe Drinks Limited received income from recharges to SCOPS Drinks Limited of £875. At the year end, SCOPS Drinks Limited owed Luscombe Drinks Limited £888.

Director's Loan Account

During the year a director maintained a director's loan account. The amount owed to the director at the year end by Luscombe Drinks Limited is £186,260 (2017: £89,492).

16. Controlling party

The company is controlled by G L David, a director of the company, owning 50% of the share capital

17. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed by Fleur Lewis FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.