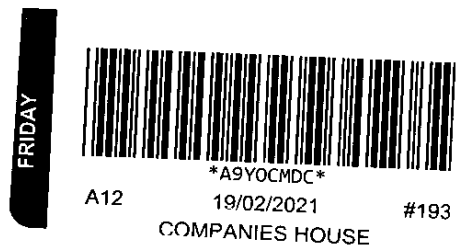


Parent for: 3209508

COMPANY REGISTRATION NO: 03699814

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

**Annual Report and Financial Statements
For the 52 week period ended 27 June 2020**



**HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)
ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

CONTENTS	Page
Company information	1
Strategic Report	2
Directors Report	6
Independent Auditor's Report	10
Consolidated profit and loss account	13
Consolidated statement of comprehensive income	13
Consolidated balance sheet	14
Consolidated statement of changes in equity	15
Parent company balance sheet	16
Parent company statement of changes in equity	17
Consolidated cash flow statement	18
Notes to the financial statements	19

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)
COMPANY INFORMATION

DIRECTORS	Mrs J M Halewood Mr P G Eaton (Resigned 31 August 2019) Mr I A Douglas Mr S A Hainsworth Mr A W Robinson Mr J A Bradbury
COMPANY SECRETARY	Mr A W Robinson (appointed 31 December 2019) Miss N M Ferguson (resigned 31 December 2019)
REGISTERED OFFICE	10 Margaret Street London England W1W 8RL
COMPANY REGISTRATION	03699814
BANKERS	National Westminster Bank plc 22 Castle Street Liverpool L2 0UP Investec Bank PLC 30 Gresham Street London EC2V 7QP
AUDITOR	Deloitte LLP Statutory Auditor 2 Hardman Street Manchester M3 3HF

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) STRATEGIC REPORT

BUSINESS REVIEW

Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC) (Halewood) has grown its revenues by 20%; of which 11% was from South Africa. Adjusted EBITDA fell by 18% in the financial period to June 2020 impacted by the COVID-19 crisis on the world economy and heavy investment in marketing and personnel in foreign subsidiaries.

The Group reacted to COVID-19 by stopping investment in international expansion and capital projects and embarked upon a restructuring strategy to remove excess capacity of low margin brands. Sales of the core brands remained resilient after the initial lockdown in March, with significant growth in Russian vodka and spiced rum. Halewood focused on driving down costs and investing in online distribution. The On Trade and Global Travel Retail were badly affected and continue to be a difficult trading environment. During 2020, the Group completed its investment in Bankhall and Leith Distilleries and consolidated bottling at the H&A site, whilst facilitating a closure of the Huyton bottling facility in October 2020. Future plans are underway to move liquid production and logistics in order to dispose of the Huyton site.

Whitley Neill Gin remains the UK's number one premium gin and dominates the flavoured gin category. In the UK, Halewood has delisted lines particularly in the low margin carbonated 'Ready to Drink' category with increasing focus on artisanal spirits driving a 7% growth in Gross Profit. International expansion in South Africa, Russia, China and Australia remain on track whilst investment in North America has been scaled back.

H&A Prestige has been restructured, reducing exposure to small contract packing customers and providing sufficient capacity for Halewood production requirements after the move of bottling from the Huyton site.

South Africa, despite a prolonged shutdown due to government restrictions for COVID-19, has performed strongly, particularly Belgravia Gin. In the restructuring and COVID-19 costs SA accounts for 30%.

A key objective for the Group is to generate growth in earnings before interest, taxation, depreciation, amortisation and other one off costs (adjusted EBITDA) period on period. The following table summarises turnover and adjusted EBITDA for each of the last 2 periods:

	2020 £'000	2019 £'000
Turnover	401,524	334,986
Operating profit	5,535	8,528
Depreciation	6,846	6,767
Amortisation	2,131	2,129
One off deal fees and contractual management incentive payments	-	8,906
Restructuring and COVID-19 related costs	7,159	-
Adjusted EBITDA	21,671	26,330

Key performance indicators

The directors consider the key performance indicators of the Group to be Gross Margin and operating cash flows which are documented on pages 13 to 18, plus adjusted EBITDA documented above. The KPI targets were not achieved during the period due to the impact of COVID-19 and future targets are based on the reduced cost base and continued growth of core brands.

The Group monitors closely cash flow from operating activities. During the period, the cash inflow from operating activities amounted to £12,162K (2019: outflow £25,334K) as the business took advantage of the UK government VAT and excise tax deferral scheme relating to liabilities incurred during the period March 2020 to June 2020. As at the signing of the accounts, the Group had paid the outstanding excise tax liability of £8,816K deferred from March 2020.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) STRATEGIC REPORT

FUTURE OUTLOOK

The Group is focused on cash generation and has benefitted from a rapid restructuring programme, working capital rationalisation and continues to identify disposal opportunities of non-core assets.

By developing an artisanal spirits portfolio at multiple price points and operating in core geographical regions, especially Australia, China, South Africa, and Russia, the Group expects to mitigate risk from competition, changes in consumers' tastes and the impact of Brexit and COVID-19. We expect the next 12 months to be a unique and challenging environment that requires a pro-active response.

SECTION 172 (1) STATEMENT

This Statement contains an overview of how the directors have performed their duty to promote the success of the company as set out in section 172(1) of the UK's Companies Act 2006. That section requires a director of a company to act in the way he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the company.

DECISION MAKING

The Operational Framework sets out the principles of good governance to which the Group is required to adhere, together with its values, policies and processes.

The Group produces a long term strategic plan, a detailed financial forecast for the current year and a rolling 12 month forward financial view. The directors of each respective company contribute towards this process, and are also responsible for identifying and managing principal and emerging risks in such businesses. In so doing the directors have regard to a variety of matters including the interests of various stakeholders, the consequences of their decisions in the short term and the long-term reputation of the company and its businesses.

EMPLOYEES

Employee engagement is a primary focus for the directors of the company – connecting employees to the Group's strategy and purpose, empowering them to contribute to improving business performance and creating an environment in which everyone can fulfil their potential. The Group keeps employees informed about what is happening through the Halewood intranet, email, and leadership blogs and briefings.

FOSTERING BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS

The directors recognise that fostering business relationships with key stakeholders, such as customers and suppliers, is essential to the Group's success. The Group has close relationships with its customers, suppliers and industry partners which help us to create best-in-class products.

The Group's supplier relationships are often long-term and the directors meet with key suppliers and work with the Group's procurement function to develop deeper relationships with business in the supply chain and develop strategic relationships with key suppliers.

THE COMMUNITY AND THE ENVIRONMENT

The directors recognise the importance of leading a Group that not only generates value for shareholders but also contributes to wider society. The Group looks to ensure that we build and nurture mutually beneficial relationships between our business, our people and local stakeholders. Giving back to the communities in which we operate, and to charities that have meaning to our business, is vitally important to our Group and our employees, allowing us to make a positive difference and have an impact where it counts.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) STRATEGIC REPORT

The Group is committed to reducing the environmental impact of our operations and products, minimising our environmental footprint and, in turn, decreasing our operational costs.

MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The Group aims to be a leader in business conduct which helps us to earn and maintain stakeholder trust and sustain business success. The directors consider it fundamental to maintain a culture focused on embedding responsible business behaviours. All employees of the Group are expected to act in accordance with the requirements of the Group's policies at all times. As well as being the right thing to do, this reduces the risk of compliance failure and supports us in attracting and retaining high-calibre employees.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are considered to relate to competition from other operators, COVID-19 and Brexit.

COVID-19 risk

COVID-19 has affected the sales pattern within the UK with sales to Grocers and online increasing, while sales to On Trade have reduced during periods of Government lockdown or restrictions. These impacts have broadly balanced for the main UK business, and we expect that to continue to be the case going forward. The Group has shut down its bars during the lockdown periods. The South African Government has introduced lockdowns, the last of which ended on 18th August 2020. The South African business has reacted by continuing to develop products that are attractive to customers and consumers and have led to growth once the lockdown period ended and managed down its cost base.

Brexit risk

The Group is exposed to the impact of Brexit from its international sales and importation of raw materials and finished products. The Group has increased stock holdings of core materials sourced from the European Union, diversified its supply base to reduce European Union based supplies and encouraged international customers to take product early to avoid impact of any port disruption when the transition period end.

Competitor risk

Competitor risk manifests itself in the form of competing brands in the same category all competing for the consumers' spend. The Group ensures that there is a constant pipeline of new products to bring to market and that it is investing in current brands.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables and it has implemented policies that require appropriate credit checks on potential customers before services are provided and credit insurance.

Taxation risk

As a producer and distributor of alcoholic beverages the Group is exposed to the taxation risk associated with these products. In order to mitigate the risk the Group maintains a diverse portfolio of products within different alcohol duty classifications. In addition the Group is represented on various trade bodies.

Interest rate risk

The Group has interest bearing liabilities, which are linked to LIBOR, and does not consider itself to be exposed to any significant interest cash flow risk given interest coverage from earnings. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Currency risk

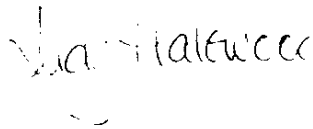
As the Group sells and operates in multiple markets around the globe it is exposed to movements in key currencies, in particular the Euro, Australian dollar, Russian Rouble, US Dollar and South African Rand. This risk is managed at a Group level with forward contracts taken out to manage the risk. The Group has a number of contracts open at 27 June 2020, as disclosed in note 28.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) STRATEGIC REPORT

Liquidity risk

The Group ensures availability of funding through an appropriate amount of committed facilities that are designed to ensure the Group has sufficient available funds for operations.

Approved by the Board on 21 December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J M Halewood', is written over a faint, light blue horizontal line.

J M Halewood

Director

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements of the company and the Group for the 52 weeks ended 27 June 2020. Future developments and principal risks and uncertainties are included in the Strategic Report in accordance with the Companies Act section s414c (11).

PRINCIPAL ACTIVITIES

The principal activities of the Group are the development, manufacture and distribution of wines, spirits, beers and speciality drinks. As a company, *Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC)* is primarily an investment holding company.

RESULTS AND DIVIDENDS

The Group loss for the period is disclosed on page 13. No dividends were declared or paid during or after the period (2019: £Nil).

DIRECTORS

The directors of the company who served throughout the period and thereafter, unless otherwise stated, are set out on page 1.

GOING CONCERN

The Group meets its day-to-day working capital requirements through a combination of bank overdrafts secured over debts and stock and loans secured over mixed assets, (refer to note 19). The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group and company are expected to be able to operate within the level of funding available. The Group secured additional finance on 20 November 2019 with Investec Bank PLC, and the facility has a minimum term of 60 months from commencement date.

The outbreak of the COVID-19 was confirmed to be a global pandemic by the World Health Organisation on 11 March 2020 and only after that date did major governments, such as the UK, start taking significant mitigating steps.

The Group has been monitoring, assessing and reacting to the issues that COVID-19 has created for the employees, business operations and financial performance. Procedures have been put in place during the financial period to ensure the safety of employees including implementation of extensive cleaning regimes, temperature check stations, availability of hand sanitiser, and signs reminding employees and visitors of the need to wash hands regularly and maintain social distancing. Visitors to sites have been reduced to a minimum as has travel by employees. Where practical during lockdown, employees worked from home.

During the lockdown our production and distribution facilities continued to operate. The Group saw some reduction in sales during the initial lockdown period but since then sales have been in line with management expectations. The Group has curtailed non-essential capital expenditure projects and reduced senior and middle management roles to reduce overhead costs.

While there remains significant uncertainty as to the future impact of the COVID-19 pandemic, the company and the Group continue to conduct ongoing risk assessments of the potential impact of the pandemic on its business operations and liquidity. Having undertaken these assessments, the directors consider that the company and the Group will be able 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.

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the period the Group made charitable donations of £30K (2019: £47K). No political contributions were made by the company or its subsidiaries (2019: £Nil).

EMPLOYEES

During the period, the Group continued to provide employees with relevant information through line managers and the opportunity to attend regular employee business forum meetings held throughout the period. Priority is given to ensuring that employees are aware of all significant matters affecting the Group's trading position and of any significant organisational changes.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) DIRECTORS' REPORT

It is the policy of the Group to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the Group, as well as generally through training and career development.

STREAMLINED ENERGY AND CARBON REPORTING

SUMMARY

The greenhouse gas emissions for Halewood Artisanal Spirits PLC, reportable under SECR for the 52 week period ended 27 June 2020 were 3,330 tonnes CO₂e. This figure includes all material Scope 1 and 2 emissions, plus Scope 3 emissions for employees' own vehicles used for business, as required to be disclosed by the legislation.

In accordance with the legislation an intensity ratio has been calculated, this expresses the business' annual emissions in relation to a quantifiable factor or normaliser. The intensity ratio calculated for Halewood Artisanal Spirits PLC is 11.7 tonnes CO₂e per £M turnover, this ratio enables the impact of changes in the estate to be reflected in the reporting.

GREENHOUSE GAS EMISSIONS

Emissions source	2019/20	% Share
Fuel combustion: Natural gas	913	27%
Fuel combustion: Transport	314	9%
Purchased electricity	2,103	63%
Total emissions (tCO₂e)	3,330	100%
Tonnes of CO ₂ e per £m revenue	11.7	

It is a standard protocol to define greenhouse gas emissions by scope. The scope items included in the calculation of the carbon footprint for Halewood Artisanal Spirits PLC are listed by scope item:

- Scope 1: direct emissions arising from activities on site - combustion of fuels to heat buildings and the use of fuel in company owned vehicles.
- Scope 2: indirect energy emissions - purchased electricity.
- Scope 3: indirect emissions - Losses from electricity distribution and transmission, private vehicles used for business travel.

The split of emissions by scope is shown in the table below:

Emissions source	2019/20	% Share
Scope 1	1,218	37%
Scope 2	1,936	58%
Scope 3	176	5%
Total emissions (tCO₂e)*	3,330	100%

*Greenhouse gas emissions by scope (tonnes CO₂e).

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) DIRECTORS' REPORT

ENERGY CONSUMPTION

Emissions source	2019/20	% Share
Natural gas for heating	4,967,954	34%
Electricity	8,304,122	57%
Transport fuel	1,364,709	9%
Total*	14,636,785	100%

*Energy consumption by year (kWh).

BOUNDARY, METHODOLOGY AND EXCLUSIONS

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary.

This approach captures emissions associated with the operation of all buildings by the Group, Group-owned and leased transport, plus grey fleet used for business purposes.

This report covers UK operations only, as required by SECR for Non-Quoted Large Companies. This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope. The reporting period is the 52 week period ended June 2020, as per the financial accounts.

ENERGY EFFICIENCY INITIATIVES

Halewood Artisanal Spirits PLC has complied with Energy Savings Opportunity Scheme in December 2019.

As the result of the assessment, 1,512,816 kWh annual energy consumption savings were identified which is approximately 360 tonnes of carbon savings (a 13% reduction). Part of these savings identified have already been implemented: during financial year 2019/20, there was boiler replacement, LED lighting retrofit and implementation of electric and hybrid company car policies by the Group to improve energy and carbon efficiency. Further opportunities will be assessed in more details to establish more accurate cost and carbon savings.

POST BALANCE SHEET EVENTS

A second national lockdown was implemented in the UK on 5 November 2020, and our production and distribution facilities continued to operate. Where practical during lockdown employees worked from home. As such the Group considers this to be a non-adjusting post balance sheet event. The Group expects that the full impact of the second national lockdown will be minimal.

On 20 August 2020, Halewood International Limited acquired a further 25% of the ordinary share capital of Castle Rum Company Ltd, such that it now owns 100% of the ordinary share capital.

On 20 August 2020, Halewood International Limited acquired a further 50% of the ordinary share capital of Pinchos Bar Ltd, such that it now owns 100% of the ordinary share capital.

On 27 October 2020, the Group announced the appointment of Savills Estate Agent, to market the Huyton site for sale. The Group has consolidated bottling at the H&A site, facilitating the closure of Huyton bottling in October 2020. Future plans are underway to move liquid production and logistics in order to complete the sale of the site. The aim is to sell the site by the end of the 2021 financial year.

On 13 November 2020, Halewood International Limited acquired a further 20% of the ordinary share capital of LoCa Beverages Ltd, such that it now owns 100% of the ordinary share capital.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

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

AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the date of approval of this annual report confirms that:

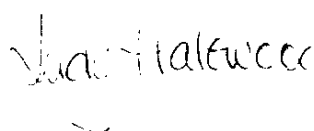
- so far as the director is aware there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, Deloitte LLP will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006

APPROVAL

The Directors' Report was approved by the Board on 21 December 2020 and signed on its behalf by:



J M Halewood

Director

**HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALEWOOD ARTISANAL SPIRITS
PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC) (the 'parent company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 27 June 2020 and of the Group's loss for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 34.

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" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 Group's or the parent 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 these matters.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC) INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S 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 auditor's 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 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 auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

**HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALEWOOD ARTISANAL SPIRITS
PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

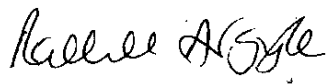
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

USE OF OUR REPORT

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.



Rachel Argyle (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

21 December 2020

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

CONSOLIDATED PROFIT AND LOSS ACCOUNT For the 52 week period ended 27 June 2020

	Note	Total 52 weeks ended 27 June 2020 £'000	Total 52 weeks ended 29 June 2019 £'000
Turnover	4	401,524	334,986
Cost of sales		(307,139)	(246,480)
Gross profit		94,385	88,506
Distribution costs		(7,238)	(6,030)
Selling and marketing costs		(29,638)	(21,597)
Administrative expenses		(45,385)	(43,445)
Deal fees and contractual management incentives		-	(8,906)
Restructuring and COVID-19 related costs		(7,159)	-
Other operating income		570	-
Operating profit	7	5,535	8,528
Interest receivable and similar income	5	33	617
Interest payable and similar charges	6	(4,001)	(2,399)
Fair value of financial instruments	28	(122)	173
Share of joint venture loss		(140)	(73)
Profit before taxation		1,305	6,846
Tax on profit	10	(2,267)	(3,585)
(Loss)/profit for the financial period		(963)	3,261
(Loss)/profit for the period attributable to:			
Non-controlling interest	24	(49)	112
Equity shareholders of the company		(914)	3,149
		(963)	3,261

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the 52 weeks ended 27 June 2020

	Note	Total 52 weeks ended 27 June 2020 £'000	Total 52 weeks ended 29 June 2019 £'000
(Loss)/profit for the period		(963)	3,261
Foreign exchange movement		(1,323)	(480)
Total comprehensive (expense)/income for the period		(2,286)	2,781
Total comprehensive (expense)/income for the period attributable to:			
Non-controlling interest	24	(49)	112
Equity shareholder of the company		(2,237)	2,669
		(2,286)	2,781

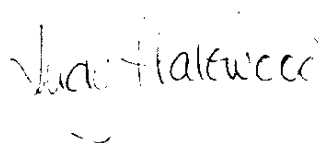
HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

CONSOLIDATED BALANCE SHEET

As at 27 June 2020

	Note	27 June 2020 £'000	29 June 2019 £'000
Fixed assets			
Brands and intellectual property rights	11	2,855	2,980
Goodwill	11	8,028	7,434
Intangible assets		10,883	10,414
Tangible assets	12	77,081	63,549
Investments	13	73	82
Share of Joint Venture net assets	13	3,849	3,839
		81,003	67,470
Current assets			
Stocks	15	52,439	51,705
Debtors	16	107,213	89,386
Cash at bank and in hand		2,706	4,544
		162,358	145,635
Creditors: amounts falling due within one year	17	(173,259)	(134,800)
Net current (liabilities)/assets		(10,901)	10,835
Total assets less current liabilities		8,985	88,719
Creditors: amounts falling due after more than one year	18	(12,892)	(16,546)
Provision for liabilities	22	(1,857)	(1,338)
Net assets		66,236	70,835
Capital and reserves			
Called up share capital	23	146	146
Capital redemption reserve		5	5
Profit and loss account		65,526	70,063
Shareholders' funds		65,677	70,214
Non-controlling interests	24	559	621
Total capital employed		66,236	70,835

The financial statements of Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC), registered number 03699814, were approved by the board of directors on 21 December 2020 and signed on their behalf by:



J M Halewood

Director

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 52 week period ended 27 June 2020

	Called-up share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000	Non- controlling interest £'000	Total £'000
Balance as at 1 July 2018	146	5	69,012	69,163	714	69,877
Profit for the period	-	-	3,149	3,149	112	3,261
Exchange loss	-	-	(480)	(480)	-	(480)
Total comprehensive income for the period	-	-	2,669	2,669	112	2,781
On acquisition of subsidiaries (Note 14)	-	-	-	-	49	49
On acquisition of non-controlling interest	-	-	(158)	(158)	(254)	(412)
Share buy back (Note 23)	-	-	(1,460)	(1,460)	-	(1,460)
Balance as at 29 June 2019	146	5	70,063	70,214	621	70,835
Loss for the period	-	-	(914)	(914)	(49)	(963)
Exchange loss	-	-	(1,323)	(1,323)	-	(1,323)
Total comprehensive (expense) for the period	-	-	(2,237)	(2,237)	(49)	(2,286)
On acquisition of subsidiaries (Note 14)	-	-	-	-	(10)	(10)
On acquisition of non-controlling interest	-	-	58	58	(3)	55
Share buy back (Note 23)	-	-	(2,358)	(2,358)	-	(2,358)
Balance as at 27 June 2020	146	5	65,526	65,677	559	66,236

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

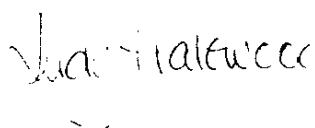
PARENT COMPANY BALANCE SHEET

As at 27 June 2020

	Note	27 June 2020 £'000	29 June 2019 £'000
Fixed assets			
Investments	13	10,622	10,614
Current assets			
Debtors	16	27,802	21,900
Creditors: amounts falling due within one year	17	(18,540)	(10,549)
Net current assets		9,262	11,351
Total assets less current liabilities		19,884	21,965
Creditors: amounts falling due after more than one year	18	(227)	(227)
Net assets		19,657	21,738
Capital and reserves			
Called up share capital	23	146	146
Profit and loss account		19,511	21,592
Shareholders' funds		19,657	21,738

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit after tax for the financial period amounted to £277K (2019: loss £829K).

The financial statements of Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC) registered number 03699814, were approved by the Board of directors on 21 December 2020 and signed on their behalf by:



J M Halewood

Director

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the 52 week period ended 27 June 2020

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 1 July 2018	146	23,881	24,027
Share buy back (Note 23)	-	(1,460)	(1,460)
Total comprehensive expense for the period	-	(829)	(829)
Balance as at 29 June 2019	146	21,592	21,738
Share buy back (Note 23)	-	(2,358)	(2,358)
Total comprehensive income for the period		277	277
Balance as at 27 June 2020	146	19,511	19,657

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

CONSOLIDATED CASH FLOW STATEMENT For the 52 week period ended 27 June 2020

		52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
	Note		
Cash flows from operating activities	25	20,907	(13,576)
Cash flow from investing activities			
Interest received	5	33	617
Purchase of tangible fixed assets		(22,558)	(22,244)
Proceeds from sale of fixed assets		735	2,850
Purchase of joint venture		-	(207)
Purchase of investment		-	(3,413)
Acquisition of subsidiaries	14	(1,579)	(634)
(Overdraft)/cash acquired with subsidiaries	14	(4)	334
Purchase of non-controlling interest in subsidiaries	14	(270)	(412)
Purchase of trademarks	11	(1,069)	(793)
Net cash outflow from investing activities		(24,712)	(23,902)
Cash outflow from financing activities			
Drawdown/(repayment) of loans from related parties		11,582	(1,738)
Repurchase of shares	23	(2,358)	(1,460)
(Repayment)/drawdown of loans		(2,958)	12,130
Inception of capital element of finance lease	19	(129)	(100)
Net cash inflow from financing activities		6,137	8,832
Net increase/(decrease) in cash		2,332	(28,646)
Cash at the beginning of the period		(53,685)	(24,118)
Effect of foreign exchange rates		(4)	(921)
Cash at the end of the period		(51,357)	(53,685)
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		2,706	4,544
Overdrafts		(54,063)	(58,229)
		(51,357)	(53,685)

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

1. ACCOUNTING POLICIES

Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC), a privately owned company limited by shares, is incorporated in England and the address of the registered office is given on page 1. The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding period. The functional currency of Halewood Artisanal Spirits PLC is considered to be pound sterling as that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pound sterling. Foreign operations are included in accordance with the policies set out below.

Audit Exemption

A number of subsidiary undertakings consolidated as at 27 June 2020, are claiming exemption from audit under section 479A Companies Act 2006, please refer to note 13 for details.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to recognise financial instruments at fair value and in accordance with applicable law and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Basis of consolidation

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 27 June 2020. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Halewood Artisanal Spirits PLC meets the definition of a qualifying entity under FRS 102 and is therefore taking advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to presentation of the cash flow statement, financial instruments and remuneration of the key management personnel.

Going concern

The Group meets its day-to-day working capital requirements through a combination of bank overdrafts secured over debts and stock and loans secured over mixed assets, (note 19). The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group and company are expected to be able to operate within the level of funding available. The Group secured additional finance on 20 November 2019 with Investec Bank PLC, and the facility has a minimum term of 60 months from commencement date.

The directors manage liquidity risk by performing regular cash flow forecasting and consistently reviewing operations. The Group's cash position at 27 June 2020 was £2.7m (2019: £4.5m). Debt has decreased from £81.0m at 29 June 2019 to debt of £74.0m at 27 June 2020. Overall net debt as at 27 June 2020 is £71.2m from £76.4m as at 29 June 2019. In carrying out their duties in respect of going concern, the directors have carried out a review of the Group's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. These have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the uncertainties brought about by the current economic environment. Management regularly perform sensitivity analysis on forecasts, and have identified no specific risks relating to breach of bank covenants.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

The outbreak of the COVID-19 was confirmed to be a global pandemic by the World Health Organisation on 11 March 2020 and only after that date did major governments, such as the UK, start taking significant mitigating steps.

The Group has been monitoring, assessing and reacting to the issues that COVID-19 has created for the employees, business operations and financial performance. Procedures have been put in place during the financial period to ensure the safety of employees including implementation of extensive cleaning regimes, temperature check stations, availability of hand sanitiser, and signs reminding employees and visitors of the need to wash hands regularly and maintain social distancing. Visitors to sites have been reduced to a minimum as has travel by employees. Where practical during lockdown, employees worked from home.

During the lockdown our production and distribution facilities continued to operate. The Group saw some reduction in sales during the initial lockdown period but since then sales have been in line with management expectations. The Group has curtailed non-essential capital expenditure projects and reduced senior and middle management roles to reduce overhead costs.

While there remains significant uncertainty as to the future impact of the COVID-19 pandemic, the company and the Group continue to conduct ongoing risk assessments of the potential impact of the pandemic on its business operations and liquidity. Having undertaken these assessments, the directors consider that the company and the Group will be able 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.

Capital grants

Capital government grants received are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets to which they relate.

Turnover

Turnover comprises sales to customers less discounts and allowances and is net of value added tax. Turnover is recognised upon despatch of goods.

Interest revenue

Interest income is recognised when it is highly probable that the economic benefits will flow to Group and the amount of the revenue can be measured reliably. Interest income is accrued on a timely basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest payable

Interest payable is accrued on a timely basis, by reference to the principle outstanding and at the effective interest rate agreed with the lenders.

Goodwill

Positive goodwill is the excess of the cost of an acquired entity over the aggregate of the fair values of that entity's identifiable assets and liabilities. Positive goodwill, where treated as an asset, is amortised on a straight line basis of ten years, which has been determined by the directors as their best estimate of its useful economic life. In addition to systematic amortisation, the book value is written down to recoverable amount when any impairment is identified.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

1. ACCOUNTING POLICIES (continued)

Goodwill (continued)

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Intangible assets

Brand and intellectual property rights (IPR), and customer databases are valued at cost on acquisition and are amortised on a straight line basis over their estimated useful economic lives of five years.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of comprehensive income. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

- | | |
|-------------------------|---------------------------------------|
| • Freehold buildings | 2% straight line on cost or valuation |
| • Leasehold buildings | Over lease period |
| • Fixtures and fittings | 15% to 25% straight line on cost |
| • Plant and machinery | 5% to 25% straight line on cost |

Investments

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

In the Group financial statements investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above.

Associates

In the Group financial statements investments in associates are accounted for using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

In the company financial statements investments in associates are accounted for at cost less impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes any expenses incurred in bringing each product to its present location and condition using a first in, first out (FIFO) basis. Net realisable value is based on estimated selling price less further costs of disposal.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised where the recoverability against future taxable profits is considered to be more likely than not.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings are reported in the statement of comprehensive income. All other exchange differences are included in the profit and loss account.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

1. ACCOUNTING POLICIES (continued)

Pensions

The Group contributes to defined contribution pension arrangements (including stakeholder equivalent arrangements) on behalf of employees. The assets of these schemes are held separately from those of the Group in independently administered funds. The pension cost for these schemes represents contribution payable in the period.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one or less. If not, there are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The company uses derivatives to hedge its exposure to changes in foreign currency exchange rates. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same Group. It does not disclose transactions with members of the same Group that are wholly owned.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

1. ACCOUNTING POLICIES (continued)

Exceptional items

Exceptional items are transactions that fall outside of the ordinary activities of the company and are presented separately due to their size or incidence. In the current year, such transactions have occurred as consequence of the COVID-19 global pandemic.

2. STATEMENT OF COMPLIANCE

The financial statements of Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC) have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

- i. Critical judgements in applying the company's accounting policies - the directors do not consider there to be any critical accounting judgements that must be applied.
- ii. Key accounting estimates and assumptions – the directors do not consider there to be any key accounting estimates and assumptions that require further analysis.

4. TURNOVER

The analysis of turnover by distribution, split by geographical market, all of which relates to the principal activity, is as follows:

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
United Kingdom	255,672	231,011
Other EC countries	7,450	7,021
Rest of Europe	6,910	5,544
South Africa	116,897	78,387
Other	14,595	13,023
	<u>401,524</u>	<u>334,986</u>

Segmental reporting of the origins of turnover and profit by geographical area has not been provided. In the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the Group, and has therefore not been disclosed as permitted by FRS 102.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Bank interest	33	-
Related party interest	-	617
	<u>33</u>	<u>617</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Bank overdraft	2,585	2,096
Bank loan interest	1,116	113
Finance lease interest	32	15
Related party interest	268	175
	<u>4,001</u>	<u>2,399</u>

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

7. OPERATING PROFIT

Operating profit for the Group is arrived at after charging/ (crediting):

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Depreciation of owned tangible fixed assets (Note 12)	5,938	5,845
Depreciation of fixed assets held under finance leases (Note 12)	908	922
Operating lease rentals - land and buildings	300	299
- plant and machinery	8	10
Government grants released (Note 21)	(70)	(227)
Amortisation - goodwill (Note 11)	1,006	940
- brands & IPR (Note 11)	1,125	1,189
Loss/(profit) on disposal of tangible fixed assets	74	(38)
Foreign exchange loss/(gain)	419	(577)
Cost of stock recognised as an expense	304,809	251,125
Write downs of inventories recognised as an expense	3,696	2,047
One off deal fees and management incentive payments	-	8,906
Restructuring and COVID-19 costs	7,159	-
Other operating income	(570)	-

Restructuring and COVID-19 costs fall outside of the ordinary activities of the Group and are presented separately due to their size. These costs are also considered non-recurring items.

Other operating income relates to UK government grants received under the Job Support Scheme, The Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund, introduced during the COVID-19 pandemic.

Auditor's remuneration

Fees payable for the audit of the company's annual financial statements	9	9
Fees payable for the audit of the company's subsidiaries pursuant to legislation	225	201
Total audit fees	<u>234</u>	<u>210</u>

There were no non audit fees (2019: Nil).

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

8. EMPLOYEES

The remuneration of employees, including directors, was:

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Group		
Wages and salaries	32,430	27,467
Social security costs	2,498	2,057
Pensions - defined contribution schemes (Note 30)	2,242	1,773
	<u>37,170</u>	<u>31,297</u>

The average monthly number of employees during the period, including directors, was made up as follows:

	2020 No.	2019 No.
Administration and selling	412	326
Warehouse, production and distribution	579	581
	<u>991</u>	<u>907</u>

Company

No staff costs or directors' remuneration were paid by the company during the period (2019: £Nil). They are paid by Halewood International Limited. There were no staff employed by the company during the period (2019: Nil).

9. DIRECTORS' EMOLUMENTS

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Group		
Emoluments	2,809	8,490
Company contributions to money purchase pension schemes	12	41
	<u>2,821</u>	<u>8,531</u>
The emoluments of the highest paid director were:	£'000	£'000
Emoluments	<u>1,205</u>	<u>4,707</u>

Pension contributions have been made on behalf of 4 directors (2019: 4). The highest paid director received pension contributions totalling £Nil (2019: £11K).

The directors are considered to be the key management personnel.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

10. TAXATION ON PROFIT

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Current tax on profit		
UK corporation tax	394	1,166
Foreign tax	1,337	1,638
	<u>1,731</u>	<u>2,804</u>
Adjustments in respect of prior period		
UK corporation tax	(82)	375
Foreign tax	-	-
Total current tax	<u>1,649</u>	<u>3,179</u>
Deferred taxation		
Origination and reversal of timing differences	579	518
Adjustments in respect of prior periods	(68)	(46)
Effect of a change in the tax rates	107	(66)
Total deferred taxation	<u>618</u>	<u>406</u>
Total taxation on profit	<u>2,267</u>	<u>3,585</u>

The standard rate of tax applied to reported profit is 19% (2019: 19%).

The UK tax rate is 19% effective from 1 April 2017 which is applied for the year ended 27 June 2020.

Finance Bill 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 27 June 2020 had been calculated at this rate.

However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year ended 27 June 2020.

During the period beginning 28 June 2020, the net increase of the deferred tax assets and liabilities is expected to reduce the corporation tax charge for the period by £200K. (2019: 267K). This is mainly due to fixed asset timing differences.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is shown on the following page.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

10. TAXATION ON PROFIT (continued)

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Group profit before taxation	1,305	6,846
Tax on Group profit at standard United Kingdom corporation tax rate of 19% (2019: 19%)	247	1,300
Effects of:		
Expenditure not tax deductible for tax purposes	939	1,197
Adjustments in respect of prior periods	(150)	329
Utilisation of tax losses not previously recognised	-	7
RDEC	(38)	-
Deferred tax not provided	5	-
Effect of tax rates on overseas earnings	931	688
Tax rate changes	107	(66)
Other	225	130
Total tax charge	2,267	3,585

11. INTANGIBLE FIXED ASSETS AND GOODWILL

	Brands and IPR £'000	Positive Goodwill £'000	Total £'000
Cost			
At 29 June 2019	7,535	9,764	17,299
Additions	1,069	1,616	2,685
Acquisition of subsidiary (Note 14)	6	-	6
Exchange adjustment	(75)	(16)	(91)
At 27 June 2020	8,535	11,364	19,899
Amortisation			
At 29 June 2019	4,555	2,330	6,885
Charge for the period	1,125	1,006	2,131
At 27 June 2020	5,680	3,336	9,016
Net book value			
At 27 June 2020	2,855	8,028	10,883
At 29 June 2019	2,980	7,434	10,414

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

12. TANGIBLE FIXED ASSETS

Group	Freehold Property £'000	Plant & Machinery, Fixtures & Fittings £'000	Total £'000
Cost			
At 29 June 2019	16,931	92,965	109,896
Additions	862	21,786	22,648
Disposals	(2,381)	(1,392)	(3,773)
Transfers	87	(244)	(157)
Exchange adjustment	-	1,177	1,177
At 27 June 2020	15,499	114,290	129,789
Accumulated depreciation			
At 29 June 2019	2,467	43,880	46,347
Charge for the period	545	6,301	6,846
Disposals	-	(485)	(485)
At 27 June 2020	3,012	49,696	52,708
Net book value			
At 27 June 2020	12,487	64,594	77,081
At 29 June 2019	14,464	49,085	63,549

The net book value of plant & machinery includes an amount of £1,922K (2019: £2,314K) in respect of assets held under hire purchase contracts. Depreciation charged in respect of these assets in the period was £902K (2019: £922K). The net book value of assets under construction was £4,116K (2019: £7,086K); these assets are not being depreciated.

The company does not hold any tangible fixed assets (2019: Nil).

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

13. FIXED ASSET INVESTMENTS

Group	Unquoted Investments £'000	Total £'000
Cost		
At 29 June 2019	87	87
At 27 June 2020	87	87
Provisions for impairment		
At 30 June 2019	5	5
Charge for period	5	5
Exchange adjustments	9	9
At 27 June 2020	14	14
Net Book Value		
At 27 June 2020	73	73
At 29 June 2019	82	82

Group	Interests in joint ventures £'000	Interests in associates £'000	Total £'000
Cost and Net Book Value at 29 June 2019	426	3,413	3,839
Additions*	150	-	150
Share of profit/(loss)	(45)	(95)	(140)
Net Book Value at 27 June 2020	531	3,318	3,849

*Costs directly attributable to purchase of Joint Ventures capitalised in FY20.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

13. FIXED ASSET INVESTMENTS (continued)

Company	Investments in subsidiary undertakings £'000
At 29 June 2019	10,614
Additions	8
At 27 June 2020	10,622

The company's principal subsidiaries (excluding dormant entities) and joint venture undertakings are set out below. A full list of subsidiary companies is set out in note 32. All subsidiaries are 100% owned and registered in England and Wales unless otherwise stated. The registered office address of all entities is as follows unless otherwise stated: The Winery, Ackhurst Road, Chorley, PR7 1NH.

Principal subsidiary undertakings	Principal activity	Registered office	Company number	Country of incorporation	Class of share
Willow Water Limited*	Production & sale of bottled water		05539318	UK	Ordinary
Halewood International Holdings (UK) Limited*	Investment Holding company		03374741	UK	Ordinary
Halewood International Holdings (Overseas) Limited*	Investment Holding company		03731605	UK	Ordinary
H&A Prestige Bottling Limited*	Bottling operation		01762466	UK	Ordinary
Halewood International Marketing Limited*	Marketing services		03861237	UK	Ordinary
Charlie Richards & Company Limited*	Wholesale of wine, beer, spirits and other alcoholic beverages	Unit H, Field Way, Greenford, England, UB6 8UN	02606824	UK	Ordinary
Charlie Richards Craft Wines & Spirits Limited	Retail sale via stalls and markets of food, beverages and tobacco products	Unit H, Field Way, Greenford, England, UB6 8UN	10496851	UK	Ordinary
Barwell & Jones Limited	Wholesale of wine, beer, spirits and other alcoholic beverages	Unit H, Field Way, Greenford, England, UB6 8UN	06781279	UK	Ordinary
Hall and Bramley Ltd	Manufacture of other non-distilled fermented beverages		11424678	UK	Ordinary

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

13. FIXED ASSET INVESTMENTS (continued)

Halewood International Limited	Distribution of wines and spirits	10 Margaret Street, London, England, W1W 8RL	03920410	UK	Ordinary
Halewood International Brands Limited	Brand ownership		03896214	UK	Ordinary
Lambrini Limited	Brand ownership		03920385	UK	Ordinary
Red Square Beverages Limited	Brand ownership		03920408	UK	Ordinary
Hawkshead Brewery Limited	Brewery and public house	Staveley Mill Yard, Staveley, Cumbria, LA8 9LR	01488467	UK	Ordinary
City of London Distillery Limited	Distillery and public house	22-24 Bride Lane, London, EC4Y 8DT	07963963	UK	Ordinary
Sadler's Peaky Blinder Distillery Ltd	Distilling, rectifying and blending of spirits	Unit 2 Conyers Trading Estate Station Drive, Lye, Stourbridge, West Midlands, England, DY9 3EH	05063381	UK	Ordinary
Sadler's Brewhouse Limited (99.9%)	Public house	Unit 2 Conyers Trading Estate Station Drive, Lye, Stourbridge, West Midlands, England, DY9 3EH	09416020	UK	Ordinary
H J Neill Limited (85%)	Brand Owner		09927950	UK	Ordinary
The Bajan Trading company Limited (87.5%)	Manufacturer of spirits		06377231	UK	Ordinary
Aber Falls Distillery Limited	Distilling, rectifying and blending of spirits	The Sovereign Distillery, Wilson Road, Liverpool, United Kingdom, L36 6AD	10842166	UK	Ordinary
John Crabbie & Company Limited	Distilling, rectifying and blending of spirits	21 Graham Street, Edinburgh, Scotland, EH6 5QN	SC30285	UK	Ordinary
Halewood International Streams of Whiskey Ltd (80%)	Brand Owner		06791279	UK	Ordinary
Redrosesforme Limited (60%)	Distilling, rectifying and blending of spirits	The Sovereign Distillery, Wilson Road, Liverpool, United Kingdom, L36 6AD	09970509	UK	Ordinary
Liverpool Gin Distillery Ltd	Distilling, rectifying and blending of spirits and public house	52-54 Castle Street, Liverpool, England, L2 7LQ	10647576	UK	Ordinary
The Cornish Rum Company Ltd	Wholesale of wine, beer, spirits and other alcoholic beverages	87-89 Park Street, Bristol, England, BS1 5PW	10847544	UK	Ordinary
Kania Craft Drinks Limited (60%)	Holding company		11346532	UK	Ordinary
Vestal Vodka Ltd (100%)	Retail sale of beverages in specialised stores		07255560	UK	Ordinary
#			10258850	UK	Ordinary
The Pleasure Gardens Distilling Company Limited	Dormant	52 Brook Street, London, United Kingdom, W1K 5DS		Ireland	Ordinary

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

13. FIXED ASSET INVESTMENTS (continued)

Dyflin Distilleries Limited	Distilling, rectifying and blending of spirits	39/40 Mount Street Upper Dublin 2 DO2 PR89	627479	Ireland	Ordinary
Eldorado Drinks Ltd	Dormant	The Sovereign Distillery, Wilson Road, Liverpool, United Kingdom, L36 6AD	11390004	UK	Ordinary
Lamb & Watt Vintners Ltd	Dormant		02841848	UK	Ordinary
Halewood International Trademarks Limited	Brand Ownership		01360434	UK	Ordinary
Halewood International SA Pty Limited	Wines and spirits bottler	61 Toronto Road, Apex Ext 1 Benoni, 1501	1998/001887/07	South Africa	Ordinary
Halewood Properties South Africa (Pty) Limited	Property company	61 Toronto Road, Apex Ext 1 Benoni, 1501	2000/008398/07	South Africa	Ordinary
Snowbliss (Pty) Limited (51%)	Manufacturer of cocktails	61 Toronto Road, Apex Ext 1 Benoni, 1501	2016/414685/07	South Africa	Ordinary
7 Stars Beverages (Pty) Limited (51%)	Alcoholic drinks manufacturer	61 Toronto Road, Apex Ext 1 Benoni, 1501	09997019	South Africa	Ordinary
Beijing Shunxing Halewood Alcoholic Beverages Limited	Distribution of wines and spirits	Room C506, Building 3, Di Sheng Nan Street No.1, BDA, Beijing, China	9111011571774945 7U	China	Ordinary
Halewood Wines and Spirits SAS	Distribution of wines and spirits	11 Rue Saint Etienne 16000 Angoulême, France	500 820 410	France	Ordinary
Halewood Wines & Spirits (Canada) Inc.	Distribution of wines and spirits	Suite 2660, Threee Bentall Centre, 595 Burrard Street, Vancouver, BC V7X 1L3	BC1201390	Canada	Ordinary
Halewood Wines & Spirits (Hong Kong) Limited	Distribution of wines and spirits	29 th Floor, Edinburgh Tower, The Landmark, 15 Queens Toad Central, Central HK	2819055	Hong Kong	Ordinary
Halewood Wines & Spirits Inc.	Distribution of wines and spirits	777 Brickell Ave, Miami 33131	7087848	USA	Ordinary
Ironbark Distillery PTY Ltd (100%) #	Distilling, rectifying and blending of spirits	4/37 William Street, North Richmond NSW, Australia, 2754	165 952 116	Australia	Ordinary
Halewood Wines and Spirits (Australia) PTY Ltd	Distribution of wines and spirits	58 Gipps St, Collingwood, VIC 3066.	630 646 883	Australia	Ordinary
The Bristol & Bath Distillery Limited	Distilling, rectifying and blending of spirits	87-89 Park Street, Bristol, England, BS1 5PW	11609078	UK	Ordinary
Castle Rum Company Ltd **	Public house		11556789	UK	Ordinary

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

13. FIXED ASSET INVESTMENTS (continued)

Brewmasters House Limited	Manufacture of other non-distilled fermented beverages		11716482	UK	Ordinary
Edinburgh and Leith Distillery Limited	Dormant	21 Graham Street, Edinburgh, Scotland, EH6 5QN	SC607576	Scotland	Ordinary
Halewood Russia LLC	Distilling, rectifying and blending of spirits	Russian Federation, 191025, St. Petersburg, Nevsky pr., 102, lit. C, pom. 2-N (20)	7839068940	Russia	Ordinary
J.J Whitley Distillery LLC	Distilling, rectifying and blending of spirits	Russian Federation 188480, Leningrad region, Kingisepp district, Kingisepp, st. Teatralnaya, 13.	7718721280	Russia	Ordinary
Flagman Trading House LLC	Distilling, rectifying and blending of spirits	Russian Federation 141730, Moscow region, Lobnya, Krasnopolyansky blind alley, building 2B, room 5.	5047188011	Russia	Ordinary
Formby Spirits Ltd #	Dormant		11172225	UK	Ordinary
LoCa Beverages Ltd (80%) # **	Distilling, rectifying and blending of spirits	The Sovereign Distillery, Wilson Road, Liverpool, United Kingdom, L36 6AD	08662064	UK	Ordinary
South East Asia Beverage Company PTE Ltd #	Wholesale of liquor, soft drinks and beverages	435 Orchard Road, #22-01 Wsima Atria, Singapore, 238877	03374741	Singapore	Ordinary
Pinchos Bar Limited **	Public house		09038614	UK	Ordinary
Joint ventures	Principal activity	Registered office	Company number	Country of incorporation	Class of share
Wessex Distillery Ltd (50%)	Distilling, rectifying and blending of spirits	4th Floor Imperial House, 8 Kean Street, London, United Kingdom, WC2B 4AS	10943874	UK	Ordinary

Part or full acquisition during the period, see Note 14 for details.

*Directly owned by Halewood Artisanal Spirits PLC.

** Part or full acquisition after the period, see Note 34 for details.

AUDIT EXEMPTION

The subsidiary undertakings consolidated as at 27 June 2020, who claimed exemption from audit under section 479A Companies Act 2006, were as follows:

Principal subsidiary undertakings	Principal activity	Company number	Country of incorporation	Class of share
Willow Water Limited	Production & sale of water	05539318	UK	Ordinary
Halewood International Holdings (UK) Limited	Investment Holding company	03374741	UK	Ordinary
Halewood International Holdings (Overseas) Limited	Investment Holding company	03731605	UK	Ordinary
Halewood International Marketing Limited	Marketing services	03861237	UK	Ordinary
Chalie Richards & Company Limited	Wholesale of wine, beer, spirits and other alcoholic beverages	02606824	UK	Ordinary

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

13. FIXED ASSET INVESTMENTS (continued)

Halewood International Brands Limited	Brand ownership	03896214	UK	Ordinary
Lambrini Limited	Brand ownership	03920385	UK	Ordinary
Red Square Beverages Limited	Brand ownership	03920408	UK	Ordinary
Kania Craft Drinks Limited	Holding company	11346532	UK	Ordinary
Rocksteady Bars t/s Ladies & Gents	Public houses and bars	07810100	UK	Ordinary
Vestal Vodka Ltd	Retail sale of beverages in specialised stores	07255560	UK	Ordinary
Halewood International Streams of Whiskey	Brand Ownership	06791279	UK	Ordinary
Halewood International Trademarks Limited	Brand Ownership	01360434	UK	Ordinary
Hawkshead Brewery Limited	Production & sale of craft beers	01488467	UK	Ordinary
City of London Distillery Limited	Production & sale of spirits	07963963	UK	Ordinary
Sadler's Peaky Blinder Distillery Ltd	Production & sale of craft beers	05063381	UK	Ordinary
Sadler's Brewhouse Limited	Public house	09416020	UK	Ordinary
Redrosesforme Limited	Distilling, rectifying and blending of spirits	09970509	UK	Ordinary
H J Neill Limited	Brand Owner	09927950	UK	Ordinary
The Bajan Trading Company Limited	Supply of wholesale alcoholic drinks	06377231	UK	Ordinary
Aber Falls Distillery Limited	Distilling, rectifying and blending of spirits	10842166	UK	Ordinary
Halewood International Trademarks Limited	Brand Ownership	01360434	UK	Ordinary
Charlie Richards Craft Wines & Spirits Limited	Retail sale via stalls and markets of food, beverages and tobacco products	10496851	UK	Ordinary
Hall and Bramley Ltd	Manufacture of other non-distilled fermented beverages	11424678	UK	Ordinary
Liverpool Gin Distillery Ltd	Distilling, rectifying and blending of spirits	10647576	UK	Ordinary
The Bristol & Bath Distillery Limited	Distilling, rectifying and blending of spirits	11609078	UK	Ordinary
The Cornish Rum Company Ltd	Wholesale of wine, beer, spirits and other alcoholic beverages	10847544	UK	Ordinary
John Crabbie & Company Limited	Distilling, rectifying and blending of spirits	SC30284	Scotland	Ordinary
Castle Rum Company Ltd	Public house	11556789	UK	Ordinary
LoCa Beverages Limited	Distilling, rectifying and blending of spirit s	08662064	UK	Ordinary

14. BUSINESS COMBINATIONS

ACQUISITIONS OF SUBSIDIARIES

The Group made the following acquisitions during the period. All acquisitions have been accounted for under the acquisition method.

On 28 July 2019, Halewood International Holdings (UK) Limited acquired 100% of the ordinary share capital of South East Asia Beverage Company PTE Ltd., a company limited by shares and incorporated in Singapore, whose principle activity is the wholesale of liquor, soft drinks and beverages.

On 12 August 2019, Halewood International Limited acquired 80% of the ordinary share capital of LoCa Beverages Ltd, a company limited by shares and incorporated in the UK, whose principal activity is the distilling, rectifying and blending of spirits.

On 2 September 2019 Halewood International Limited acquired 100% of the ordinary share capital of Formby Spirits Limited, a company limited by shares and incorporated in the UK. The company was dormant throughout the period.

The following table sets out the total fair value to the Group of the net assets at acquisition, which the directors' have concluded equals the book value at that date.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

14. BUSINESS COMBINATIONS (continued)

	Book Value £'000	Fair Value £'000
Intangible assets	6	6
Current Assets		
Stock	31	31
Trade debtors	4	4
Other debtors	12	12
Total assets	53	53
Current Liabilities		
Bank overdraft	(4)	(4)
Trade creditors	(52)	(52)
Social security and other taxes	(1)	(1)
Other creditors	(43)	(43)
Total liabilities	(100)	(100)
Net liabilities	(47)	(47)
Non-controlling interest (Note 24)		10
Related Goodwill (Note 11)		1,616
Total purchase consideration		1,579
<i>Satisfied by:</i>		
Cash and cash equivalents		1,579
Net cash outflows in respect of the purchase:		
Cash and cash equivalents		1,579
Plus: cash overdraft acquired		4
		1,583

ACQUISITION OF NON-CONTROLLING INTEREST

The Group made the following acquisitions of non-controlling interest during the period. All acquisitions have been accounted for under the acquisition method.

On 12 November 2019, Halewood Wines and Spirits (Australia) Pty Ltd acquired a further 20% of the ordinary share capital of Ironbark Distillery Pty Limited such that it now owns 100% of the ordinary share capital.

The following table shows the effects of changes in the Group's ownership interests in subsidiaries that did not result in a change of control, on the equity attributable to the owners of the parent:

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

14. BUSINESS COMBINATIONS (continued)

	27 June 2020 £'000
Amounts paid on changes in ownership interest	270
Non-controlling interest acquired (Note 24)	(3)
Difference recognised in equity reserves	267

Net cash outflows in respect of the purchase:

Cash and cash equivalents	270
---------------------------	-----

15. STOCKS

	Group 27 June 2020 £'000	Group 29 June 2019 £'000
Goods for resale	28,764	28,748
Raw materials	23,675	22,957
	52,439	51,705

There is no material difference between the balance sheet value of stocks and their replacement cost.

The company holds no stocks (2019: Nil).

16. DEBTORS

	Group 27 June 2020 £'000	Group 29 June 2019 £'000	Company 27 June 2020 £'000	Company 29 June 2019 £'000
Trade debtors	88,809	68,698	-	-
Corporation tax	1,933	749	136	-
Other debtors	9,573	6,330	7	6
Prepayments	6,526	4,565	-	-
Amounts due from subsidiary under takings	-	-	27,659	21,894
Amounts due from related parties	372	9,044	-	-
	107,213	89,386	27,802	21,900

All amounts are due within one year. Amounts due from subsidiaries and related parties are repayable on demand, with interest charged at 4% to 7.5%.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 27 June 2020 £'000	Group 29 June 2019 £'000	Company 27 June 2020 £'000	Company 29 June 2019 £'000
Bank overdrafts (Note 19)	54,063	58,229	-	-
Bank loans (Note 19)	6,987	6,277	-	-
Finance leases (Note 19)	263	552	-	-
Trade creditors	48,475	37,543	-	-
Corporation tax	-	-	-	78
Other taxation and social security	30,115	11,060	-	-
Accruals and deferred income	20,429	17,183	15	15
Other creditors	8,459	3,944	-	8
Deferred income – grants (Note 21)	-	12	-	-
Amounts due to subsidiary undertakings	-	-	18,525	10,448
Amounts due to related parties	4,468	-	-	-
	<u>173,259</u>	<u>134,800</u>	<u>18,540</u>	<u>10,549</u>

The finance leases are secured on the assets to which they relate. Amounts due to subsidiaries and related parties are repayable on demand. Interest is charged on inter-company loans at 4% to 7.5%.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 27 June 2020 £'000	Group 29 June 2019 £'000	Company 27 June 2020 £'000	Company 29 June 2019 £'000
Bank loans (Note 19)	12,247	15,915	-	-
Finance leases (Note 19)	418	-	-	-
Other creditors	-	346	-	-
Deferred income grants (Note 21)	227	285	227	227
	<u>12,892</u>	<u>16,546</u>	<u>227</u>	<u>227</u>

The finance leases are secured on the assets to which they relate.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

19. BORROWINGS

	Group 27 June 2020 £'000	Group 29 June 2019 £'000
Bank overdrafts:		
Within one year	54,063	58,229
	<u>54,063</u>	<u>58,229</u>
Bank loans and other loans due:		
Within one year	6,987	6,277
Between one and two years	5,247	4,915
Between two and five years	7,000	11,000
	<u>19,234</u>	<u>22,192</u>
Finance leases due:		
Within one year	263	552
Between one and two years	418	-
Between two and five years	-	-
	<u>681</u>	<u>552</u>
Total borrowings including finance leases due:		
Within one year	61,313	65,058
Between one and two years	5,665	4,915
Between two and five years	7,000	11,000
	<u>73,978</u>	<u>80,973</u>

The company has no borrowings (2019: Nil).

Bank loans consist of the following:

- 1) On 29 November 2018, the Group completed on a re-financing agreement with Investec Bank. The borrowing facilities are secured on property, plant & machinery and debtors, with a minimum term of 60 months from commencement date. Interest is charged at 2.50% - 3.75% over 3 month LIBOR.
- 2) Borrowing facilities in South Africa are secured against property, debtors, inventory and plant and equipment. The facility accrues interest on the three month Johannesburg Interbank Average Rate of a period of five years commencing 1 August 2016, and is secured by mortgage bonds over the property owned by Halewood Properties Sa (Pty) Limited as well as the cessions on the debtors and insurance policies relating to inventory.
- 3) Finance leases relate to motor vehicles, and are secured against the assets to which they relate. Future minimum lease payments in relation to the finance leases amount to £681K (2019: £552K).

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

20. FINANCIAL INSTRUMENTS

Disclosures in respect of the Group

	Group	
	27 June 2020 £'000	29 June 2019 £'000
Financial assets that are measured at amortised cost		
- Trade debtors	88,809	68,698
- Other debtors	9,573	6,330
- Amounts owed by related parties	372	9,044
	<u>98,754</u>	<u>84,072</u>
Financial assets measured at fair value through profit or loss		
- Derivative financial instruments	3	125
Financial liabilities that are measured at amortised cost		
- Loans and other borrowings	73,978	80,973
- Trade creditors	48,475	37,543
- Accruals (excluding deferred income)	20,429	17,183
- Other creditors	8,459	3,944
- Amounts owed to related parties	4,468	-
	<u>155,809</u>	<u>139,643</u>

Derivative financial instruments

The Group enters into derivative financial instruments to hedge against certain risks, such as exchange rate volatility, through forward contracts. Although the instruments represent hedge arrangements, the Group does not apply hedge accounting and, therefore, movements in the fair value of such instruments are recognised in the profit and loss account. During the period ended 27 June 2020 the Group entered into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 27 June 2020, the outstanding contracts all mature within 6 months of the period end. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates. The fair value of the forward-foreign currency contracts is an asset of £3K (2019: asset £125K).

21. DEFERRED INCOME

	Group 27 June 2020 £'000	Group 29 June 2019 £'000	Company 27 June 2020 £'000	Company 29 June 2019 £'000
Grants				
Opening balance	297	524	277	244
Profit and loss account	(70)	(227)	-	(17)
Closing balance	<u>227</u>	<u>297</u>	<u>277</u>	<u>227</u>

Of the closing grant balance £227K (2019: £297K) relates to UK grants for capital business investment and profit improvements.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

22. PROVISIONS FOR LIABILITIES

Deferred taxation

	Group 27 June 2020 £'000	Group 29 June 2019 £'000	Company 27 June 2020 £'000	Company 29 June 2019 £'000
Opening provision	1,338	926	-	-
Prior period movement	(69)	(46)	-	-
Current period credit to profit and loss account	687	451	-	-
Other timing differences	(99)	7	-	-
Closing provision	<u>1,857</u>	<u>1,338</u>	<u>-</u>	<u>-</u>

Deferred tax is analysed as follows:

	Group 27 June 2020 £'000	Group 29 June 2019 £'000
Capital allowances in excess of depreciation	2,589	1,700
Short term timing differences	(107)	(253)
R&D expenditure credit	(335)	(85)
Other	(290)	(25)
	<u>1,857</u>	<u>1,338</u>

23. SHARE CAPITAL

	27 June 2020 £'000	29 June 2019 £'000
Ordinary A shares of £1 each	102	95
Ordinary B shares of £1 each*	-	7
Ordinary C shares of £1 each*	37	37
Ordinary D shares of £1 each*	7	7
Issued and fully paid at the end of the period	<u>146</u>	<u>146</u>

*On 27 September 2019, Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC) purchased and subsequently cancelled 4,060 of its own Ordinary D shares.

*On 21 October 2019, Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC) purchased and subsequently cancelled 7,308 on its Ordinary C shares.

*On 5 December 2019, 7,308 of Ordinary B shares were converted to 9,499 Ordinary A shares.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

23. SHARE CAPITAL (continued)

Voting rights

Ordinary A shareholders are entitled to one vote per share.

Ordinary C and D shareholders are entitled to a number of votes calculated at 5% of the aggregate number of votes that may be cast by all shareholders (irrespective of the number of shares held).

Rights in respect of dividends and distributions

Only Ordinary A shareholders are entitled to receive dividends/distributions. Ordinary C and D shareholders shall not confer on the Holders of such Shares any right to receive any distribution or dividend paid by the company, other than in circumstances where a distribution or dividend is paid immediately following a Disposal (as defined in the articles of association).

Rights in respect of capital

On return of capital, the assets of the company remaining after payment of its liabilities are applied in the following order of priority: First, (to the extent such amount exceeds Base Value) to the holders of the Ordinary C shares and Ordinary D shares and aggregate amount equal to the Exit percentage of the Growth Value (as defined in the articles of association). Thereafter, in distributing the balance of the Sale Proceeds among the holders of the Ordinary A shares, pro rata to the number of Ordinary A shares held by them.

Redemption

Ordinary A, C and D share are not redeemable.

24. NON-CONTROLLING INTERESTS

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Opening balance	621	714
On acquisition of subsidiaries (Note 14)	(10)	49
On acquisition of non-controlling interest (Note 14)	(3)	(254)
(Loss)/profit for the financial period	(49)	112
Closing balance	559	621

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

25. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	52 weeks ended 27 June 2020 £'000	52 weeks ended 29 June 2019 £'000
Operating profit	5,534	8,528
Depreciation of tangible fixed assets (Note 12)	6,846	6,767
Loss/(profit) on sale of tangible fixed assets	74	(38)
Release of deferred income (Note 21)	(70)	(227)
Amortisation - positive goodwill (Note 11)	1,006	940
Amortisation - brands and IPR (Note 11)	1,125	1,189
Movements in working capital:		
Increase in stocks	(703)	(19,019)
Increase in debtors	(25,299)	(31,160)
Increase in creditors	38,164	24,845
	26,677	(8,175)
Interest paid	(3,701)	(2,399)
UK corporation tax paid	(622)	(1,464)
Foreign tax paid	(1,447)	(1,538)
Net cash inflow/(outflow) from operating activities	20,907	(13,576)

26. ANALYSIS OF NET (DEBT)

	At 29 June 2019 £'000	Acquired with subsidiaries £'000	Cash movement £'000	Foreign exchange £'000	At 27 June 2020 £'000
Cash at bank and in hand	4,544	-	(1,801)	(38)	2,706
Bank overdrafts	(58,229)	(4)	4,136	34	(54,063)
Cash	(53,685)	(4)	2,336	(4)	(51,357)
Bank loans	(22,192)	-	2,958	-	(19,234)
Finance leases	(552)	-	(129)	-	(681)
Borrowings	(22,744)	-	2,829	-	(19,915)
Net (debt)	(76,429)	(4)	5,164	(4)	(71,273)

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

27. FINANCIAL COMMITMENTS

The Group and the company had no contracted capital commitments (2019: £Nil).

Leases

The Group has commitments under non-cancellable operating leases as set out below:

	27 June 2020 £'000	29 June 2019 £'000
Land and buildings operating leases which expire:		
Within one year	249	241
Between two and five years	258	240
After five years	240	300
	<u>747</u>	<u>781</u>

The company had no non-cancellable operating lease commitments at 27 June 2020 (2019: £Nil) and future minimum lease payments were £Nil (2019: £Nil).

28. DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 27 June 2020 the outstanding contracts all mature within 6 months (2019: 18 months) of the period end.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates GBP:EUR. The fair value of the forward-foreign currency contracts is an asset of £3K (2019: asset £125K). This is included within other debtors (2019: other debtors). An amount of £122K was charged to the profit and loss account in the year (2019: £173K credit).

	Principal 27 June 2020 £'000	Fair value asset 27 June 2020 £'000	Principal 29 June 2019 £'000	Fair value asset 29 June 2019 £'000
Forward foreign exchange contracts	767	3	5,450	125

The fair value of foreign currency derivatives contracts is their market value at the balance sheet date. Market values are based on the duration of the derivative instrument together with the quoted market data including interest rates, foreign exchange rates and market volatility at the balance sheet date. The financial instruments that are measured subsequent to initial recognition at fair value are all Grouped into Level 2. There were no transfers between Level 1 and Level 2 during the period.

The company holds no derivatives (2019: Nil).

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

29. CONTINGENT LIABILITIES

Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC), Halewood International Limited, John Crabbie & Company Limited, Halewood International Marketing Limited, Halewood International Brands Limited, Red Square Beverages Limited, H&A Prestige Bottling Limited, Willow Water Limited, Halewood International Holdings (UK) Ltd, Aber Falls Distillery Limited, Charlie Richards & Company Limited, Hall & Bramley Limited, Hawkshead Brewery Limited, H.J. Neill Ltd, Sadlers' Brewhouse Limited, City of London Distillery Ltd, and Lambrini Limited have given unlimited cross guarantees in respect of the others' bank borrowings. At 27 June 2020 these borrowings amounted to £7,996K (2019: £12,017K).

30. PENSION ARRANGEMENTS

The Group operates a number of defined contribution schemes for which the pension cost charge for the period amounted to £2,242K (2019: £1,773K), which represented contributions to these schemes. The assets of this scheme are held separately for those of the Group in independently administered funds. At 27 June 2020 the amount outstanding to the pension scheme was £153K (2019: £241K).

31. RELATED PARTY TRANSACTIONS

The company has undertaken transactions with subsidiaries. Under the provisions of Financial Reporting Standard 102 section 33, the company is exempt from disclosing the detail of these transactions.

During the period, the Group entered into the following transactions with companies over which the Estate of Mr J E Halewood, the principal shareholder, exercises significant influence:

- 1) The company has a balance owed to the Estate of Mr J E Halewood at 27 June 2020 of £4,424K (2019: owed from the Estate of Mr J E Halewood £7,385K).
- 2) The Group has an amount owed from associated companies amounting to £282K (2019: £1,272K).
- 3) The Group has an amount owed to directors' at 27 June 2020 of £708K (2019: £Nil).
- 4) The Group entered into transactions with a related party, H.J. Neill Limited, in the course of the year, purchasing £92K of materials (2019: £7K) and the on-going loaning of funds; the balance outstanding at 27 June 2020 was £14K (2019: £98K). The loan is repayable on demand, with interest charged at 4%.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

32. SUBSIDIARY COMPANIES

The complete list of subsidiary companies is set out below:

Hawkshead Brewery Limited	Sadler's Brewhouse Limited
City of London Distillery Limited	Sadler's Peaky Blinder Distillery Ltd
The Bajan Trading Company Limited	Willow Water Ltd
Aber Falls Distillery Limited	H J Neill Ltd
Charlie Richards and Co Limited	Snowbliss (Pty) Limited
Charlie Richards Craft Wines & Spirits Limited*	Halewood International SA (Pty) Limited
Barwell & Jones Limited*	Halewood Properties SA (Pty) Limited
Eldorado Drinks Limited*	Halewood International Caribbean Limited*
The Cornish Rum Company Limited	Beijing Shunxing Halewood Alcoholic Beverages Limited
Liverpool Gin Distillery Limited	The Pleasure Gardens Distilling Company*
Redrosesforme Limited	John Crabbie & Company Limited
Halewood International Brands Limited	Lamb & Watt Vintners Limited*
Halewood International Holdings (UK) Limited	Lambrini Limited
Halewood International Holdings (Overseas) Limited	Red Square Beverages Limited
Halewood International Limited	Halewood International Trademarks Limited
Halewood International Marketing Limited	Kania Craft Drinks Company Limited*
H & A Prestige Bottling Limited	Rocksteady Bars Ltd t/a Ladies & Gents
Dyflin Distilleries Limited	Vestal Vodka Ltd*
Hall & Bramley Ltd	7 Stars Beverages (Pty) Limited
Halewood Wines and Spirits SAS (France)	Halewood Wines & Spirits Inc. (USA)
Halewood Wines and Spirits (Australia) PTY Ltd	Ironbark Distillery Pty Ltd
Halewood Wines & Spirits (Canada) Inc.	Halewood Wines & Spirits (Hong Kong) Limited
The Bristol & Bath Distillery Limited	The Edinburgh and Leith Distillery Limited*
Brewmaster's House Limited*	Halewood Russia LLC
LoCa Beverages Limited	Formby Spirits Limited*
Castle Rum Company Ltd	South East Asia Beverage Company PTE Ltd
J.J Whitley Distillery LLC	Flagman Trading House LLC

* Dormant company exempt from the requirements to prepare individual financial statements in accordance with s394A of the Companies Act 2006.

33. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the Estate of Mr J E Halewood, and members of his close family control the company as a result of holding a majority share of the issued share capital and attached voting rights.

The largest and smallest Group for which consolidated accounts are prepared and includes the company, is Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC), whose registered office is 10 Margaret Street, London, England, W1W 8RL.

34. POST BALANCE SHEET EVENTS

A second national lockdown was implemented in the UK on 5 November 2020, and our production and distribution facilities continued to operate. Where practical during lockdown employees worked from home. As such the company considers this to be a non-adjusting post balance sheet event. The Group expects that the full impact of the second national lockdown will be minimal.

On 20 August 2020, Halewood International Limited acquired a further 25% of the ordinary share capital of Castle Rum Company Ltd, such that it now owns 100% of the ordinary share capital.

HALEWOOD ARTISANAL SPIRITS PLC (FORMERLY HALEWOOD WINES AND SPIRITS PLC)

NOTES TO THE FINANCIAL STATEMENTS

For the 52 week period ended 27 June 2020

34. POST BALANCE SHEET EVENTS (continued)

On 20 August 2020, Halewood International Limited acquired a further 50% of the ordinary share capital of Pinchos Bar Ltd, such that it now owns 100% of the ordinary share capital.

On 27 October 2020, the Group announced the appointment of Savills Estate Agent, to market the Huyton site for sale. The company has consolidated bottling at the H&A site, facilitating the closure of Huyton bottling in October 2020. Future plans are underway to move liquid production and logistics in order to complete the sale of the site. The aim is to sell the site by the end of the 2021 financial year.

On 13 November 2020, Halewood International Limited acquired a further 20% of the ordinary share capital of LoCa Beverages Ltd, such that it now owns 100% of the ordinary share capital.