

# Woodchester Enterprises Limited

## Report and Financial Statements

For the period from 4 January 2020 to 1 January 2021



**Directors**

K Salters  
A Richmond  
E Birchall

**Secretary**

A Richmond

**Auditors**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

**Bankers**

Danske Bank  
Donegall Square West  
Belfast  
BT1 6SJ

**Solicitors**

Carson McDowell  
Murray House  
4 Murray Street  
Belfast  
BT1 6DN

**Registered Office**

Manderson House  
5230 Valiant Court  
Gloucester Business Park  
Brockworth  
Gloucestershire  
GL3 4FE

## Strategic report

The directors present their strategic report for the period from 4 January 2020 to 1 January 2021.

### Principal activity and review of the business

The principal activity of the company was the production of premium soft drinks.

There were no significant changes in the activities of the company during the period.

The directors consider that in light of prevailing economic and market conditions, the results for the year while disappointing are as anticipated, while the prospects for the future are satisfactory.

The company strategy for the coming period is to increase shareholder value through enhancing market share and developing the company's customer base further.

### Key performance indicators

The key performance indicator for the company is gross margin. The gross margin for the period was 37.4% (period ended 3 January 2020 – 38.6%). Other key performance indicators are noted below:

	<i>1 January 2021</i>	<i>3 January 2020</i>
	<i>£</i>	<i>£</i>
Turnover	16,477,988	21,260,586
(Loss)/Profit after tax	(773,451)	1,591,714
Shareholders' funds	3,286,019	6,059,470
Average employees during the period (No.)	32	40
Current assets v current liabilities (quick ratio)	1.34	1.58

### Principal risks and uncertainties

The company uses various financial instruments including cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are interest rate risk, currency risk, credit risk, liquidity risk and price and market risk. The directors have also considered the impact of Brexit and Covid-19.

The directors review and agree policies for managing each of these risks, and they are summarised below. These policies have remained unchanged from previous periods.

#### Interest rate risk

The company finances its operations through retained profits. The company's exposure to interest rate fluctuations on its borrowings is managed through annual review of its borrowing requirements.

#### Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to this risk, the company principally uses group level foreign currency contracts with financial institutions in order to hedge against adverse movements in exchange rates.

## Strategic report

### Principal risks and uncertainties (continued)

#### Credit risk

The company's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors. In order to manage credit risk, the directors assess potential customers based on a mixture of past history, credit references and industry knowledge, and amounts owed are reviewed and followed up on a regular basis.

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short term flexibility is achieved by holding cash balances.

#### Price and market risk

As the company does not normally make investments, price risk is considered inconsequential.

#### Brexit

The UK Brexit transition period ended on 31 December 2020. Having undertaken an extensive planning exercise, we have taken steps to address any exposure by putting appropriate solutions in place. As a result, the end of the transition period has not had a significant impact on the company although there is additional administrative work and costs due to Customs and the NI Protocol requirements.

#### Covid 19

The company recognised the risks and uncertainties posed by the Covid-19 pandemic and put in place significant measures and actions to address all areas including operational and supply chain impacts and changes in demand. We coordinated and implemented a Group wide business response and continue to take appropriate actions for the business based on Government and World Health Organisation (WHO) advice keeping the situation under review at all sites and weekly at Group leadership level.

The health and wellbeing of our company employees continues to be of paramount concern. For those employees who are unable to work from home or are deemed essential employees, all necessary arrangements have been put in place to ensure the company premises remain a safe environment for staff. Communications and HR policies are regularly refreshed and reinforced.

Approved by the board and signed on its behalf by:



A. Richmond  
Director  
Date: 3 June 2021

Registered No. 03726756

## Directors' report

The directors present their report for the period from 4 January 2020 to 1 January 2021.

### Results and dividends

The loss for the period after taxation amounted to £773,451 (period ended 3 January 2020 – profit of £1,591,714). There were dividends paid in the period of £2,000,000 (period ended 1 January 2021 – £2,000,000).

### Future developments

The directors are committed to long-term creation of shareholder value. 2020 has been a challenging year, however the directors are continuing to focus on driving the business forward. While the incoming year is likely to continue to be very challenging, early results indicate we are in line to achieve our expectations for the year.

### Directors

The directors who served the company during the period were as follows:

K Salters  
A Richmond  
E Birchall

### Going concern

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. The Covid-19 pandemic has posed many challenges worldwide and all areas of the economy have been impacted. The directors, in taking account of the company's financial forecasts and projections for the period to 31 December 2022, have also considered the changes in operations and trading performance during the Covid-19 period and conclude that the company continues to be cash generative and is able to continue to meet its current liabilities arising as they fall due. The directors therefore believe the company has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

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

On behalf of the board



E. Birchall  
Director  
Date: 3 June 2021

## **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and 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 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.

# Independent auditors' report

to the members of Woodchester Enterprises Limited

## Opinion

We have audited the financial statements of Woodchester Enterprises Limited for the year ended 1 January 2021 which comprise Profit and Loss Account, the Statement of comprehensive income, the Statement of changes in equity, the Balance Sheet, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 1 January 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## Other information

The other information comprises the information included in the annual report set out in pages 2 to 5 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent auditors' report

to the members of Woodchester Enterprises Limited

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## 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.

## *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, the reporting framework FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Bribery Act 2010, Money Laundering Regulations and UK Tax Legislation.



# Independent auditors' report

to the members of Woodchester Enterprises Limited

## *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)*

- We understood how Woodchester Enterprises Limited is complying with those frameworks by making enquiries of senior management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through review of the following documentation or performance of the following procedures;
  - obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls;
  - Review of board meeting minutes in the year and to date of signing;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussion within the audit team which included;
  - Identification of related parties, including circumstances related to the existence of a related party with dominant influence;
  - understanding the company's business and entity-level controls and considering the influence of the control environment; and
  - considering the nature of the account and our assessment of inherent risk for relevant assertions of significant accounts.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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.

*Ernst & Young LLP*

Lindsay Russell (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Belfast

3 June 2021

## Profit and loss account

for the period from 4 January 2020 to 1 January 2021

		<i>Period ended 1 January 2021</i>	<i>Period ended 3 January 2020</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Turnover</b>	2	16,477,988	21,260,586
Cost of sales		(10,310,596)	(13,043,655)
<b>Gross profit</b>		6,167,392	8,216,931
Distribution costs		(1,402,430)	(2,041,116)
Administrative expenses		(3,985,848)	(4,277,890)
Exceptional item	3	(1,420,197)	-
<b>Operating (loss) / profit</b>	4	(641,083)	1,897,925
Interest receivable and similar income	7	43,066	81,294
Interest payable and similar charges	8	-	(465)
<b>(Loss) / profit before taxation</b>		(598,017)	1,978,754
Tax charge	9	(175,434)	(387,040)
<b>(Loss) / profit for the financial period</b>		<u>(773,451)</u>	<u>1,591,714</u>

All amounts relate to continuing activities.

## Statement of comprehensive income

for the period from 4 January 2020 to 1 January 2021

There is no comprehensive income or loss other than the loss attributable to the shareholders of the company of £773,451 in the period ended 1 January 2021 (period ended 3 January 2020 – profit of £1,591,714).

## Statement of changes in equity

for the period from 4 January 2020 to 1 January 2021

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£
At 28 December 2018	10,598	6,457,158	6,467,756
Profit for the period	–	1,591,714	1,591,714
Dividend paid in the period (note 10)	–	(2,000,000)	(2,000,000)
At 3 January 2020	10,598	6,048,872	6,059,470
Loss for the period	–	(773,451)	(773,451)
Dividend paid in the period (note 10)	–	(2,000,000)	(2,000,000)
At 1 January 2021	10,598	3,275,421	3,286,019

### *Called up share capital*

Called up share capital represents the nominal value of shares that have been issued.

### *Profit and loss account*

Profit and loss account includes all current period and prior period retained profits and losses.

Registered No. 03726756

**Balance sheet**

at 1 January 2021

		1 January 2021	3 January 2020
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	11	1,211,949	1,459,104
Investments	12	101	101
		<u>1,212,050</u>	<u>1,459,205</u>
<b>Current assets</b>			
Stocks	13	1,367,832	2,209,984
Debtors	14	3,517,922	7,109,979
Cash at bank and in hand		3,699,318	3,465,064
Total current assets		<u>8,585,072</u>	<u>12,785,027</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(6,417,771)</u>	<u>(8,075,997)</u>
<b>Net current assets</b>		<u>2,167,301</u>	<u>4,709,030</u>
<b>Total assets less current liabilities</b>		<u>3,379,351</u>	<u>6,168,235</u>
<b>Provisions for liabilities</b>			
Deferred taxation	9(c)	<u>(93,332)</u>	<u>(108,765)</u>
<b>Net assets</b>		<u>3,286,019</u>	<u>6,059,470</u>
<b>Capital and reserves</b>			
Called up share capital	16	10,598	10,598
Profit and loss account		<u>3,275,421</u>	<u>6,048,872</u>
<b>Shareholders' funds</b>		<u>3,286,019</u>	<u>6,059,470</u>

The notes on pages 12-22 form part of these financial statements.



E. Birchall  
Director  
Date: 3 June 2021

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 1. Accounting policies

#### **Statement of compliance**

Woodchester Enterprises Limited is a private company limited by shares and incorporated in England and Wales. The Registered Office is Manderson House, 5230 Valiant Court Delta Way, Gloucester Business Park, Brockworth, Gloucestershire, GL3 4FE.

The company's financial statements have been prepared in compliance with FRS 102 as it applies for the period ended 1 January 2021.

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the company and no rounding has been applied.

#### **Reduced disclosure framework**

The company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 *Statement of Financial Position* paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d);
- (c) The requirements of Section 11 *Basic Financial Instruments* paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26; and
- (d) Section 33 *Related Party Disclosures* paragraph 33.7.

The company's ultimate parent undertaking and controlling party is SHS Group Limited, a company incorporated in Northern Ireland, which is the parent undertaking of the largest group to consolidate these financial statements. SHS Group Limited financial statements are available from 199 Airport Road West, Belfast, Co Antrim, Northern Ireland.

#### **Going concern**

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. The Covid-19 pandemic has posed many challenges worldwide and all areas of the economy have been impacted. The directors, in taking account of the company's financial forecasts and projections for the period to 31 December 2022, have also considered the changes in operations and trading performance during the Covid-19 period and conclude that the company continues to be cash generative and is able to continue to meet its current liabilities arising as they fall due. The directors therefore believe the company has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Group financial statements**

The company is exempt from preparing group financial statements under section 400 of the Companies Act 2006.

#### **Judgements and key sources of estimation**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant impact on amounts recognised in the financial statements.

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 1. Accounting policies (continued)

#### *Judgements and key sources of estimation (continued)*

The following are the company's key sources of estimation uncertainty:

##### ***Taxation***

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

##### ***Turnover***

The turnover in the profit and loss account represents amounts receivable in respect of the sales of soft drinks during the period, exclusive of Value Added Tax and relates to sale of goods.

Turnover during the normal course of business is recognised on legal transfer of title.

##### ***Financial instruments***

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

##### *(i) Financial assets*

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at 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 the profit and loss account.

If there is 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 the profit and loss account.

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.

##### *(ii) Financial liabilities*

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payables are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 1. Accounting policies (continued)

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to leasehold	–	4-10% per annum straight-line
Plant and machinery	–	5-33% per annum straight-line
Motor vehicles	–	33% per annum straight-line
Office equipment and exhibition stands	–	33% per annum straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Leasing and hire purchase commitments*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

The company has not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognise any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.

#### *Investments*

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

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value after allowance for obsolete and slow-moving stocks.

#### *Foreign currencies*

Transactions in foreign currencies are initially recorded in the company's functional currency by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

#### *Pensions*

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund.

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 2. Turnover

The whole of the turnover is attributable to the production of soft drinks.

A geographical analysis of turnover is as follows:

	<i>Period ended 1 January 2021 £</i>	<i>Period ended 3 January 2020 £</i>
United Kingdom	15,887,233	20,415,777
Rest of the world	590,755	844,809
	<u>16,477,988</u>	<u>21,260,586</u>

All turnover relates to sale of goods.

### 3. Exceptional item

	<i>Period ended 1 January 2021 £</i>	<i>Period ended 3 January 2020 £</i>
Exceptional item	<u>1,420,197</u>	<u>-</u>

The exceptional item in the profit and loss relates to the forgiveness of intercompany loan balances with subsidiary undertakings.

### 4. Operating profit

This is stated after charging:

	<i>Period ended 1 January 2021 £</i>	<i>Period ended 3 January 2020 £</i>
Auditors' remuneration – audit services	13,965	14,346
Auditors' remuneration – tax compliance	2,114	2,552
Loss on foreign exchange	13,154	2,559
Depreciation of tangible fixed assets – owned by the company	240,480	247,791
Operating lease rentals – other	<u>201,904</u>	<u>197,471</u>

### 5. Directors' remuneration

The directors' remuneration was borne by another group company (period ended 3 January 2020 – £nil).



## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 6. Staff costs

Staff costs were as follows:

	<i>Period ended 1 January 2021 £</i>	<i>Period ended 3 January 2020 £</i>
Wages and salaries	1,023,980	1,175,945
Social security costs	88,266	104,464
Other pension costs	40,661	58,389
	<u>1,152,907</u>	<u>1,338,798</u>

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

	<i>Period ended 1 January 2021 No.</i>	<i>Period ended 3 January 2020 No.</i>
Production	19	24
Administration	13	16
	<u>32</u>	<u>40</u>

### 7. Interest receivable and similar income

	<i>Period ended 1 January 2021 £</i>	<i>Period ended 3 January 2020 £</i>
Other interest receivable	<u>43,066</u>	<u>81,294</u>

### 8. Interest payable and similar charges

	<i>Period ended 1 January 2021 £</i>	<i>Period ended 3 January 2020 £</i>
Other interest payable	<u>-</u>	<u>465</u>

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 9. Tax

#### (a) Tax on profit

The tax charge is made up as follows:

	<i>Period ended 1 January 2021</i>	<i>Period ended 3 January 2020</i>
	£	£
<b>Current tax:</b>		
UK corporation tax on the profit for the period	189,173	398,750
Adjustment in respect of previous periods	1,694	1,483
Total current tax	<u>190,867</u>	<u>400,233</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(28,230)	(14,745)
Effect of changes in tax rates	12,797	1,552
Total deferred tax (note 9(c))	<u>(15,433)</u>	<u>(13,193)</u>
Tax on profit (note 9(b))	<u>175,434</u>	<u>387,040</u>

#### (b) Factors affecting the total tax charge for the period

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (period ended 3 January 2020 – 19%). The differences are explained below:

	<i>Period ended 1 January 2021</i>	<i>Period ended 3 January 2020</i>
	£	£
(Loss)/profit before tax	<u>(598,017)</u>	<u>1,978,754</u>
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (period ended 3 January 2020 – 19%)	(113,623)	375,963
<b>Effects of:</b>		
Expenses not deductible for tax purposes	276,260	9,525
Income not taxable	(1,694)	(1,483)
Adjustments in respect of previous periods	1,694	1,483
Effect of changes in tax rates	12,797	1,552
Total tax for the period (note 9(a))	<u>175,434</u>	<u>387,040</u>

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 9. Tax (continued)

(c) Deferred tax liability

	£
At 3 January 2020	108,765
Profit and loss release for period	<u>(15,433)</u>
At 1 January 2021	<u>93,332</u>

The provision for deferred taxation is made up as follows:

	<i>1 January 2021</i>	<i>3 January 2020</i>
	£	£
Accelerated capital allowances	94,883	110,325
Other timing differences	<u>(1,551)</u>	<u>(1,560)</u>
	<u>93,332</u>	<u>108,765</u>

(d) Factors that may affect future tax charges

Finance Bill 2016 enacted a reduction in corporation tax rate to 17% with effect from 1 April 2020, this was the rate at which deferred tax was provided in the 2019 accounts. Finance Bill 2020 confirmed that the rate of corporation tax will remain at the rate of 19% from 1 April 2020 (cancelling the enacted cut to 17%). As this change was enacted before year end by the passing of Budget Resolution on 17 March 2020, deferred tax is now provided at 19%. Furthermore, an increase to the main UK corporation tax rate from 19% to 25% from 1 April 2023 was announced in the March 2021 budget. This was substantively enacted on 24 May 2021

### 10. Dividends

	<i>1 January 2021</i>	<i>3 January 2020</i>
	£	£
Dividends of £188.72 per £1 ordinary share (3 January 2020 – £188.72 per £1 ordinary share)	<u>2,000,000</u>	<u>2,000,000</u>

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 11. Tangible fixed assets

	<i>Improvements to leasehold</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Office equipment and exhibition stands</i>	<i>Total</i>
	£	£	£	£	£
<i>Cost or valuation:</i>					
At 3 January 2020	363,299	3,278,398	14,497	24,912	3,681,106
Additions	–	54,487	–	–	54,487
Disposals	–	–	(4,595)	–	(4,595)
At 1 January 2021	363,299	3,332,885	9,002	24,912	3,730,998
<i>Depreciation:</i>					
At 3 January 2020	224,893	1,964,079	14,497	18,533	2,222,002
Charge for the period	33,116	205,198	–	2,166	240,480
Impairment	–	61,162	–	–	61,162
Disposal	–	–	(4,595)	–	(4,595)
At 1 January 2021	258,009	2,230,439	9,902	20,699	2,519,049
<i>Net book value:</i>					
At 1 January 2021	105,290	1,102,446	–	4,213	1,211,949
At 3 January 2020	138,406	1,314,319	–	6,379	1,459,104

### 12. Investments

	<i>Investments in subsidiary undertakings</i>
	£
<i>Cost or valuation:</i>	
At 3 January 2020 and 1 January 2021	101
<i>Net book value:</i>	
At 3 January 2020 and 1 January 2021	101

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

<i>Name</i>	<i>Country of incorporation</i>	<i>Class of shares</i>	<i>Nature of Holding business</i>
Causeway Shelf Company (No. 3) Limited	United Kingdom	Ordinary	100% Dormant
Woodchester International Limited	United Kingdom	Ordinary	100% Non trading
SHS Drinks US LLC *	United States	Ordinary	100% Distribution
SHS Drinks US Holdings Inc. *	United States	Ordinary	100% Non trading

\* held by subsidiary undertaking

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 12. Investments (continued)

The registered address of Causeway Shelf Company (No. 3) Limited and Woodchester International Limited is 5230 Valiant Court, Gloucester, England, GL3 4FE.

The registered address of SHS Drinks US LLC is 160 Greentree Drive, Suite 101, County of Kent, Dover, Delaware, 19904.

The registered address of SHS Drinks US Holdings Inc. is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801.

The company itself is a subsidiary company and is included within the group financial statements of SHS Group Limited. The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### 13. Stocks

	<i>1 January 2021</i>	<i>3 January 2020</i>
	£	£
Raw materials	756,473	973,088
Finished goods and goods for resale	611,359	1,236,896
	<u>1,367,832</u>	<u>2,209,984</u>

Stocks expensed in the period were £166,355 (3 January 2020 – £254,471).

### 14. Debtors

	<i>1 January 2021</i>	<i>3 January 2020</i>
	£	£
Trade debtors	25,621	131,515
Amounts owed by group undertakings	3,445,182	6,938,642
Prepayments and accrued income	47,119	39,822
	<u>3,517,922</u>	<u>7,109,979</u>

Amounts due from group undertakings are interest free and unsecured.

## Notes to the financial statements

for the period from 4 January 2020 to 1 January 2021

### 15. Creditors: amounts falling due within one year

	<i>1 January 2021</i>	<i>3 January 2020</i>
	<i>£</i>	<i>£</i>
Trade creditors	1,954,501	1,608,087
Amounts owed to group undertakings	124,838	1,540,919
Current corporation tax	186,236	395,813
Other taxation and social security	297,213	417,957
Accruals and deferred income	3,854,983	4,113,221
	<u>6,417,771</u>	<u>8,075,997</u>

Amounts due to group undertakings are interest free, unsecured and repayable on demand.

### 16. Issued share capital

		<i>1 January 2021</i>		<i>3 January 2020</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	10,598	<u>10,598</u>	10,598	<u>10,598</u>

### 17. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18. Other financial commitments

At 1 January 2021 the company had future minimum rental commitments under non-cancellable operating leases as set out below:

	<i>1 January 2021</i>		<i>3 January 2020</i>	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Within one year	41,569	25,569	43,194	20,858
In two to five years	–	10,855	–	–
	<u>41,569</u>	<u>36,424</u>	<u>43,194</u>	<u>20,858</u>

### 19. Related party transactions

As a wholly owned subsidiary of SHS Group Limited, the company is exempt from the requirements of FRS 102 Section 33 *Related Party Disclosures* paragraph 33.11 to disclose transactions with other members of the group which are party to the transaction.

## **Notes to the financial statements**

**for the period from 4 January 2020 to 1 January 2021**

### **20. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Bottlegreen Holdings Limited, a company incorporated in England and Wales.

The directors consider that the ultimate parent undertaking is SHS Group Limited, a company incorporated in Northern Ireland. The ultimate controlling parties of SHS Group Limited are its shareholders.

The results of Woodchester Enterprises Limited are included in the group financial statements of SHS Group Limited, which are available for inspection at the Registrar of Companies, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast.