

COMPANY REGISTRATION: 05539318

# **WILLOW WATER LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 June 2020**

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## Annual report and financial statements 2020

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## Company information

Directors	J M Halewood P G Eaton (resigned 31 August 2019) S A Hainsworth A W Robinson L Tayburn
Registered Office	The Winery, Ackhurst Road, Chorley, England, PR7 1NH
Registered number	05539318
Bankers	National Westminster Bank Plc 22 Castle Street Liverpool L2 0UP  Investec Bank PLC 30 Gresham Street London EC2V 7QP

## Director's report

The directors present their report and the financial statements of the company for the year ended 30 June 2020.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of extraction and supply of water.

### RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £52k (2019: £125k). No dividends were declared or paid during or after the period (2019: £nil).

### DIRECTORS

The directors who served the company during the year and thereafter, except where noted, are set out on page 1.

### GOING CONCERN

The directors have considered the going concern assumption and continue to adopt the going concern basis in preparing the annual report and financial statements, as documented in note 1 to the financial statements.

### DIRECTORS' RESPONSIBILITIES

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;
- 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.

### POST BALANCE SHEET EVENTS

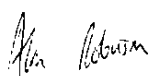
Further national lockdowns were implemented in the UK on 5 November 2020 and 5 January 2021, and our production and distribution facilities continued to operate. The company expects that the full impact of the national lockdowns to be minimal. As such, the company considers this a non-adjusting post balance sheet event.

### SMALL COMPANY PROVISIONS

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

### APPROVAL

The Directors' Report was approved by the Board on 15 February 2021 and signed on its behalf by:



A W Robinson  
Director

## Profit and loss account

For the year ended 30 June 2020

	Note	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Turnover	4	70	24
Cost of sales		(5)	(4)
<b>Gross profit</b>		65	20
Administrative expenses		(57)	(86)
<b>Operating profit/(loss)</b>	5	8	(66)
Interest payable and similar charges		(53)	(52)
<b>Loss before taxation</b>		(45)	(118)
Tax on loss	7	(7)	(7)
<b>Loss for the financial year</b>		(52)	(125)

The company's activities derive from continuing operations.

The company has no recognised gains and losses other than those included in the results above. As such, no separate statement of comprehensive income has been presented.

The notes on pages 6 to 12 form an integral part of the financial statements.

# Balance sheet

As at 30 June 2020

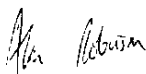
	Note	30 June 2020 £'000	30 June 2019 £'000
<b>Fixed assets</b>			
Intangible assets	8	-	-
Tangible assets	9	1,988	1,952
		<hr/> 1,988	<hr/> 1,952
<b>Current assets</b>			
Stocks		-	-
Debtors	10	104	17
Cash at bank and in hand		15	2
		<hr/> 119	<hr/> 19
<b>Creditors: amounts falling due within one year</b>	11	(18)	(34)
<b>Net current assets/(liabilities)</b>		<hr/> 101	<hr/> (15)
<b>Total assets less current liabilities</b>		<hr/> 2,089	<hr/> 1,937
<b>Creditors: amounts falling due after more than one year</b>	12	(1,411)	(1,214)
Provision for liabilities	13	(28)	(21)
<b>Net assets</b>		<hr/> 650	<hr/> 702
<b>Capital and reserves</b>			
Called-up share capital	14	2	2
Share premium account		4,232	4,232
Revaluation reserve		750	750
Profit and loss account		(4,334)	(4,282)
<b>Shareholders' funds</b>		<hr/> 650	<hr/> 702

The notes on pages 6 to 12 form an integral part of the financial statements.

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

For the year ended 30 June 2020, the company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year ended 30 June 2020 in accordance with section 476 of the Companies Act 2006.

The financial statements of Willow Water Limited, registered number 05539318, were approved by the board of directors on 15 February 2021 and signed on its behalf by:



A W Robinson  
Director

# Statement of changes in equity

For the year ended 30 June 2020

	Called-up share capital £'000	Share Premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
<b>Balance as at 30 June 2018</b>	2	4,232	750	(4,157)	827
Loss for the year	-	-	-	(125)	(125)
<b>Balance as at 30 June 2019</b>	2	4,232	750	(4,282)	702
Loss for the year	-	-	-	(52)	(52)
<b>Balance as at 30 June 2020</b>	2	4,232	750	(4,334)	650

The notes on pages 6 to 12 form an integral part of the financial statements.

# Notes to the financial statements

For the year ended 30 June 2020

## 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the preceding period.

### General information and basis of preparation

Willow Water Limited is incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report. The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards. The functional currency of Willow Water Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the available exemptions to not disclose:

- A statement of cash flows;
- Certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated; and
- Key management personnel compensation in total.

### Going concern

The company's forecasts and projections, taking account of possible changes in trading performance, show that the company is expected to be able to operate within the level of funding available.

In carrying out their duties in respect of going concern, the directors have carried out a review of the company'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.

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 company 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 year 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.

During the lockdown our production and distribution facilities continued to operate. The company has curtailed non-essential capital expenditure projects.

While there remains significant uncertainty as to the future impact of the COVID-19 pandemic, the company continues 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 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.

### Turnover

Turnover is recognised consistently with the right to receive consideration in exchange for the performance of supplying services.



# Notes to the financial statements (continued)

For the year ended 30 June 2020

## Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 5% Straight Line

## Fixed assets

All fixed assets are initially recorded at cost.

## Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 10% Straight Line  
 Fixtures & Fittings - 10% Straight Line  
 Motor Vehicles - 25% Straight Line  
 Equipment - 33.3% Straight Line

No depreciation is provided on freehold land and buildings, as they are maintained to a high standard and all repairs are charged in the profit and loss account.

## Operating lease agreements

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.

## Deferred taxation

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, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/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.

## 2. STATEMENT OF COMPLIANCE

The financial statements of Willow Water Limited 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 JUDGMENTS AND ESTIMATION UNCERTAINTY

In the application of the Group'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.

# Notes to the financial statements (continued)

For the year ended 30 June 2020

## 4. TURNOVER

All turnover derives from the principal activity and arises from the United Kingdom. Turnover by origin and destination are not materially different.

## 5. OPERATING LOSS

Operating loss is stated after charging:

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Normal depreciation of owned fixed assets	33	33

## 6. EMPLOYEES AND DIRECTORS' EMOLUMENTS

There were no staff or directors employed by the company during the period (2019: nil). No staff costs or directors' remuneration were paid by the company during the period (2019: £nil).

## 7. TAXATION

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Corporation tax on loss and deferred tax	(7)	(7)

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

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 30 June 2019 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 30 June 2020.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

## Notes to the financial statements (continued)

For the year ended 30 June 2020

### TAXATION (continued)

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Loss on ordinary activities before taxation	(45)	(85)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19% (2019: 19%)	9	16
Effects of:		
- Effect of group relief and other reliefs	(15)	(23)
- Tax rate changes	(2)	-
- Adjustment from previous tax periods	1	-
Tax charge	(7)	(7)

### 8. INTANGIBLE FIXED ASSETS

	Goodwill £'000
<b>Cost</b>	
At 30 June 2019 and 30 June 2020	117
<b>Amortisation</b>	
At 30 June 2019 and 30 June 2020	117
<b>Net book value</b>	
At 30 June 2020	-
At 30 June 2019	-

# Notes to the financial statements (continued)

For the year ended 30 June 2020

## 9. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Other plant & machinery £'000	Total £'000
<b>Cost or valuation</b>			
At 1 July 2019	1,704	370	2,074
Additions	4	65	69
<b>At 30 June 2020</b>	<b>1,708</b>	<b>435</b>	<b>2,143</b>
<b>Depreciation</b>			
At 1 July 2019	-	122	122
Charge for the year	-	33	33
<b>At 30 June 2020</b>	<b>-</b>	<b>155</b>	<b>155</b>
<b>Net book value</b>			
<b>At 30 June 2020</b>	<b>1,708</b>	<b>280</b>	<b>1,988</b>
<b>At 30 June 2019</b>	<b>1,704</b>	<b>248</b>	<b>1,952</b>

## 10. DEBTORS

	30 June 2020 £'000	30 June 2019 £'000
Trade debtors	89	-
Amounts owed by group companies	15	12
Other debtors & prepayments	-	7
	<b>104</b>	<b>19</b>

Amounts owed by fellow group undertakings are repayable on demand, with interest charged at 4%.

## Notes to the financial statements (continued)

For the year ended 30 June 2020

### 11. CREDITORS: amounts falling due within one year

	30 June 2020 £'000	30 June 2019 £'000
Trade creditors	14	3
Other creditors including taxation and social security	4	-
Accruals and deferred income	-	30
Deferred tax creditor	-	1
	<u>18</u>	<u>34</u>

### 12. CREDITORS: amounts falling due after more than one year

	30 June 2020 £'000	30 June 2019 £'000
Amounts owed to group companies	1,432	1,214
	<u>1,432</u>	<u>1,214</u>

Amounts owed to fellow group undertakings are repayable on demand, with interest charged at 4%.

### 13. DEFERRED TAX LIABILITY

The deferred tax liability is as follows:

	30 June 2020 £'000	30 June 2019 £'000
Opening deferred tax liability	21	14
Deferred tax charge to profit and loss	7	7
	<u>28</u>	<u>21</u>
Closing liability		

Deferred tax is analysed as follows:

	30 June 2020 £'000	30 June 2019 £'000
Fixed asset timing difference	28	21
	<u>28</u>	<u>21</u>
Closing liability		

# Notes to the financial statements (continued)

For the year ended 30 June 2020

## 14. OPERATING LEASES

The company had no commitments under non-cancellable operating leases.

## 15. SHARE CAPITAL

### Authorised share capital:

	30 June 2020 £'000	29 June 2019 £'000
2,000 Ordinary shares of £1 each	2	2

### Allotted, called up and fully paid:

	2020 No	2020 £'000	2019 No	2019 £'000
2,000 Ordinary shares of £1 each	2,000	2	2,000	2

## 17. CONTINGENT LIABILITY

The company is party to group borrowings facilities under which the various UK companies in the group have unlimited cross-guaranteed in respect of the others' bank borrowings. At 30 June 2020 these borrowings amounted to £7,996K (2019: £12,027K).

## 18. FINANCIAL COMMITMENTS

The company had contracted capital commitments of £nil at 30 June 2020 (2019:£nil).

## 19. 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 as permitted by FRS 102 Section 33.

## 20. ULTIMATE PARENT AND CONTROLLING PARTY

The immediate and ultimate parent company and parent undertaking of the largest and smallest group which includes the company is Halewood Artisanal Spirits PLC (formerly Halewood Wines and Spirits PLC), a company registered in England. Group accounts for Halewood Artisanal Spirits PLC are available to the public on payment of the appropriate fee, from Companies registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.

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.

## 21. POST BALANCE SHEET EVENTS

Further national lockdowns were implemented in the UK on 5 November 2020 and 5 January 2021, and our production and distribution facilities continued to operate. The company expects that the full impact of the national lockdowns to be minimal. As such, the company considers this a non-adjusting post balance sheet event.