

WILLOW WATER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended 29 July 2022



Annual report and financial statements 2022

Contents	Page
Company information	3
Director's report	4
Profit and loss account	5
Balance sheet	6
Statement of changes in equity	8
Notes to the financial statements	9

Company information

Directors	J M Halewood L A Tayburn S A Hainsworth (Resigned 31 October 2022) A W Robinson (Resigned 31 January 2022) J H T Kennedy (Appointed 31 January 2022, resigned 12 July 2022) K Pillay (Appointed 12 July 2022) E P Williamson (Appointed 12 July 2022)
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 period ended 7 July 2022.

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 £199k (2021: £295k profit). No dividends were declared or paid during or after the period (2021: £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.

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 28 March 2022 and signed on its behalf by:



J H T Kennedy
Director

Profit and loss account

For the period ended 29 June 2022

		Period ended 29 June 2022 £'000	Total 52 weeks ended 26 June 2021 £'000
	Note		
Turnover	4	15	378
Cost of sales		-	-
Gross Profit		15	378
Administrative expenses		(71)	(33)
Operating profit	5	(56)	345
Interest payable and similar charges	7	(135)	(41)
Profit/(loss) before taxation		(191)	304
Tax on profit/(loss)	8	(8)	(9)
Profit/(loss) for the financial period		(199)	295

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 16 form an integral part of the financial statements.

Balance sheet

As at 29 June 2022

		29 June 2022 £'000	26 June 2021 £'000
	Note		
Fixed assets			
Tangible assets	9	1,918	1,955
Current assets			
Debtors	10	241	223
Cash at bank and in hand		-	1
		241	224
Creditors: amounts falling due within one year	11	(21)	(195)
Net current assets		220	29
Total assets less current liabilities		2,138	1,984
Creditors: amounts falling due after more than one year	12	(1,347)	(1,002)
Provision for liabilities	13	(45)	(37)
Net assets		746	945
Capital and reserves			
Called up share capital	14	2	2
Share premium		4,232	4,232
Revaluation reserve		750	750
Profit and loss account		(4,238)	(4,039)
Shareholders' funds		746	945

The notes on pages 6 to 16 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 29 June 2022, 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 29 June 2022 in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements of Willow Water Limited, registered number 05539318, were approved by the board of directors on 28 March 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J H T Kennedy', written in a cursive style.

J H T Kennedy
Director

Statement of changes in equity

For the period ended 29 June 2022

	Called-up share capital £'000	Share Premium £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 27 June 2020	2	4,232	750	(4,334)	650
Profit for the period and total comprehensive expense	-	-	-	295	295
Balance as at 26 June 2021	2	4,232	750	(4,039)	945
Profit for the period and total comprehensive expense	-	-	-	(199)	(199)
Balance as at 29 June 2022	2	4,232	750	(4,238)	746

The notes on pages 6 to 16 form an integral part of the financial statements.

Notes to the financial statements

For the period ended 29 June 2022

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 meets its day-to-day working capital requirements through loans from its parent undertaking and fellow subsidiary companies. 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 and remaining impact of Covid 19. Management regularly perform sensitivity analysis on forecasts, and have identified no specific risks relating to breach of bank covenants.

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.

Turnover

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

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:

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

Notes to the financial statements (continued)

For the period ended 29 June 2022

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.

Taxation

Current 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.

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 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.

Critical judgements in applying the company's accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Stock provision

Non-moving, slow moving and short dated stocks are assessed at the balance sheet date and if it is deemed that there is a material risk that some or all of the stock cannot be sold, then a provision is made.

Recoverability of trade debtors

The risk of debtor default is assessed by reference to overdue amounts and recent payment history. If there is a deemed material risk of non-payment, a provision is made.

Key accounting estimates and assumptions

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Marketing provision

Future promotional payments to customers are assessed at the balance sheet date. A provision will be made to deduct from the initial revenue any future promotional payments to customers unless it is highly probable that they will not be incurred.

4. TURNOVER

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

Notes to the financial statements (continued)

For the period ended 29 June 2022

5. OPERATING PROFIT/LOSS

Operating profit/loss is stated after charging:

	Period ended 29 June 2022 £'000	Total 52 weeks ended 26 June 2021 £'000
Depreciation of tangible fixed asset - owned	70	33

6. EMPLOYEES AND DIRECTORS' EMOLUMENTS

There were no staff or directors employed by the company during the period (2020: nil). No staff costs or directors' remuneration were paid by the company during the period (2020: £nil).

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 29 June 2022 £'000	Total 52 weeks ended 26 June 2021 £'000
Interest payable and similar charges	135	41

8. TAX CREDIT/(CHARGE) ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Period ended 29 June 2022 £'000	Total 52 weeks ended 26 June 2021 £'000
Corporation tax charge on profit/(loss) and deferred tax	(8)	(9)

The UK corporation tax rate for the period ended 29 June 2022 is 19% which has been effective since 1 April 2017. Legislation increasing the corporation tax rate to 25% with effect from 1 April 2023 was substantively enacted on 24 May 2021. Deferred taxes at the period ended 29 June 2022 have been measured using this enacted tax rate and reflected in these financial statements.

Notes to the financial statements (continued)

For the period ended 29 June 2022

TAX CREDIT/ (CHARGE) ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

	Period ended 29 June 2022 £'000	Total 52 weeks ended 26 June 2021 £'000
Loss before taxation	(191)	304
	<hr/>	<hr/>
Tax on loss at standard UK corporation tax rate of 19% (2020: 19%)	(36)	58
Effects of:		
- Expenses not deductible	11	-
- Effects of group tax relief	-	(58)
- Adjustment from previous periods	5	-
- Tax rate change	1	9
- Losses utilised	(37)	-
- Other adjustment	64	-
	<hr/>	<hr/>
Total tax charge for the period	8	9
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Notes to the financial statements (continued)

For the period ended 29 June 2022

9. TANGIBLE FIXED ASSETS

	Land & Buildings £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Computer & Software £'000	Total £'000
Cost					
At 26 June 2021	1,708	435			2,143
Assets category reclassifications *	-	(93)	28	-	(65)
At 26 June 2021	1,708	342	28		2,078
At 29 June 2022	1,708	342	28	-	2,078
Accumulated Depreciation					
At 26 June 2021	-	188	-	-	188
Adjustment	-	(112)	5	9	(98)
At 26 June 2021	-	76	5	9	90
Charge for the period	-	65	5	-	70
At 29 June 2022	-	141	10	9	160
Net book value					
At 29 June 2022	1,708	201	18	(9)	1,918
At 26 June 2021	1,708	247	-	-	1,955
Assets category reclassifications *	-	19	5	10	34
At 26 June 2021	1,708	266	5	10	1,989

*During the prior period tangible assets were presented in one category, whereas on the current period, assets categories reclassification is presenting them in the appropriate section in accordance to company's accounting policy.

Notes to the financial statements (continued)

For the period ended 29 June 2022

10. DEBTORS

	29 June 2022 £'000	26 June 2021 £'000
Trade debtors	93	81
Other debtors	147	96
Prepayments	1	-
Corporation tax receivable	-	46
	<hr/>	<hr/>
	241	223
	<hr/>	<hr/>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 June 2022 £'000	26 June 2021 £'000
Trade creditors	1	157
Accruals	20	-
Other taxes and social security	-	29
	<hr/>	<hr/>
	21	186
	<hr/>	<hr/>

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

	29 June 2022 £'000	26 June 2021 £'000
Amount due to fellow subsidiary undertakings	1,347	1,002
	<hr/>	<hr/>

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

Notes to the financial statements (continued)

For the period ended 29 June 2022

13. PROVISION FOR LIABILITY:

DEFERRED TAXATION

	Period ended 29 June 2022 £'000	Total 52 weeks ended 26 June 2021 £'000
Opening deferred tax liability	37	28
Adjustment in respect of prior years	5	-
Deferred tax charged to income statement for the year	3	9
Closing deferred tax liability	45	37

	Period ended 29 June 2022 £'000	Total 52 weeks ended 26 June 2021 £'000
Deferred tax is analysed as follows:		
Fixed asset timing differences	45	37
	45	37

14. SHARE CAPITAL

Authorised share capital:

	29 June 2022 £'000	26 June 2021 £'000
2,000 ordinary shares of £1 each	2	2

Allotted, called up and fully paid:

	2022 No	2022 £'000	2021 No	2021 £'000
2,000 ordinary shares of £1 each	2,000	2	2,000	2

Notes to the financial statements (continued)

For the period ended 29 June 2022

14. 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 7 July 2022 these borrowings amounted to £2,642K (2021: £6,166K).

15. 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.

16. 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, 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, Great Portland Street, London, England, W1W 5PA.

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.

17. POST BALANCE SHEET EVENTS

No material post balance sheet events noted.