

Company Registration Number 06377231

THE BAJAN TRADING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

For the 18 months ended 31 March 2017

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The Bajan Trading Company Limited

Report and financial statements to March 2017

18 months ended 31 March 2017

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The Bajan Trading Company Limited

Company information

18 months ended 31 March 2017

Directors

S K Wallace
J R Davis
S A Hainsworth (appointed 19 August 2016)
A W Robinson (appointed 19 August 2016)
A D Murray (appointed 19 August 2016, resigned 10 March 2017)
J Stocker (appointed 25 September 2017)

Registered Office

The Sovereign Distillery
Wilson Road
Liverpool
Merseyside
L36 6AD

Registered Number

06377231

Bankers

National Westminster Bank Plc
250 Regent Street
London
W1B 3PB

The Bajan Trading Company Limited

Strategic report

18 months ended 31 March 2017

The directors present their report of the company for the 18 month period ended 31 March 2017.

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006. The company has transitioned to reporting under FRS 102 in the year; this has resulted in no changes to reported results.

PRINCIPAL ACTIVITY

The principal activity of the company during the year remained the supply of wholesale alcoholic and other drinks.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The financial statements are prepared for an 18 month period to 31 March 2017; the next financial statements will be made up to 30 June 2017 and thereafter annually to this date to align with other companies in the group. Please note that the reported periods in these financial statements differ and are not directly comparable; this incorporates the related notes:

On 19 August 2016 the company issued an additional 3,000 shares which were bought by H.J.Neill Limited (a company registered in England whose principal activity is the sale of bottled spirits) at a premium of £197,000. H. J. Neill Limited now has a controlling interest in the business. The £200,000 cash raised through this investment will be used for working capital and also investment in the brand Rum Sixty-Six.

The business entered into a distribution agreement, at the same time, with Halewood International Limited for sales of the brand Rum Sixty-Six; this has led to a significant increase in turnover to £114,983 in the 18 month period.

	2017 £	2015 £
Turnover	114,983	187
Gross profit / (loss)	85,767	(5,225)

Further to the upturn in sales the directors have also revised the stock provisions, in place at the September 2015 year end, on raw material stock which has resulted in a benefit of £30,000 in the period. The directors are now confident that raw material stocks can be fully utilised in the manufacture of future goods for resale.

The business has no manufacturing capability and currently has finished goods manufactured to order based on sales demand; thus presently stock comprises raw materials only and the business has no fixed assets.

The increase in administration costs reflect the increase in activity within the business and costs associated with attracting new investment; expenditure has also been incurred in redesigning the bottle to a more premium format for the UK market.

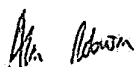
The directors are not aware at the date of this report of any major changes in the company's activities in the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The company and its customers continue to operate in a very competitive domestic market and as a result pressure on volumes is expected to continue. To combat these pressures the company will continue to focus on its successful strategy of product development and marketing to mitigate this risk.

Key performance indicators are disclosed within the group financial statements.

The strategic report of the Bajan Trading Company Limited was approved by the board of directors and signed on its behalf on 14th March 2018 by:



A W Robinson
Director

The Bajan Trading Company Limited

Director's report

18 months ended 31 March 2017

The directors present their report and the financial statements of the company for the 18 months ended 31 March 2017. The business review, future developments and discussion of principal risks and uncertainties and going concern is included within the Strategic Report on page 2.

RESULTS AND DIVIDENDS

The directors are satisfied with the results of the company during the period. The profit for the period after taxation amounted to £60,111 (2015: a loss of £6,563). The directors cannot recommend the payment of a dividend (2015: same).

CHARITABLE AND POLITICAL DONATIONS

No charitable donations were made during the period (2015: £nil). No political donations were made during the period (2015: £nil).

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

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

EMPLOYEES

There were no staff employed during the period.

DIRECTORS' RESPONSIBILITIES

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

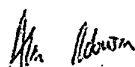
Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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; and
- 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.

APPROVAL

The Directors' Report was approved by the Board on 14th March 2018 and signed on its behalf by:



A W Robinson
Director

Independent Auditor's Report to the Members of Bajan Trading Limited

We have audited the financial statements of Bajan Trading Limited for the 18 months ended 31 March 2017 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Cash flow statements, the Statement of Changes in Equity and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent company's affairs as at 31 March 2017 and of its profit for the 18 month period 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.

Opinion on other matter 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 Directors' Report for the 18 month 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

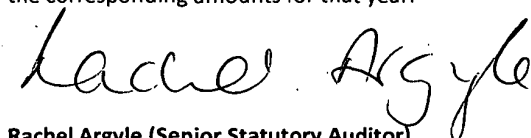
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.



Rachel Argyle (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

The Bajan Trading Company Limited

Profit and loss account

18 months ended 31 March 2017

		18 months ended 31 March 2017	Unaudited 12 months ended 30 September 2015
	Note	£	£
Turnover	4	114,983	187
Cost of sales		(29,216)	(5,412)
Gross profit / (loss)		85,767	(5,225)
Administrative expenses		(25,656)	(1,338)
Profit / (loss) before taxation		60,111	(6,563)
Tax on profit / (loss)		-	-
Profit / (loss) for the financial period		60,111	(6,563)

The company's activities derive from continuing operations.

There were no changes to the reported profit / loss resulting from the transition to reporting under FRS 102.

Statement of comprehensive income

For the 18 months ended 31 March 2017

The company has no recognised gains and losses other than those included in the results above.

	18 months Ended 31 March 2017 £	Unaudited 12 months Ended 30 September 2015 £
Profit / (loss) and total comprehensive income / (expenditure) for the period	60,111	(6,563)
Total comprehensive income / (expenditure) for the financial period attributable to:		
Owners of the parent	20,448	-
Non-controlling interests	39,663	(6,563)

The Bajan Trading Company Limited

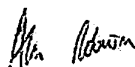
Balance sheet

18 months ended 31 March 2017

	Note	2017 £	Unaudited 2015 £
Current assets			
Stock	8	39,323	-
Debtors	9	6,852	286
Cash at bank and in hand		232,170	13,908
		<u>278,345</u>	<u>14,194</u>
Creditors: amounts falling due within one year	10	(5,132)	(1,347)
Net current assets		<u>273,213</u>	<u>12,847</u>
Total assets less current liabilities		<u>273,213</u>	<u>12,847</u>
Creditors: amounts falling due after more than one year	11	(86,969)	(86,714)
Net assets / (liabilities)		<u>186,244</u>	<u>(73,867)</u>
Capital and reserves			
Called-up equity share capital	12	4,000	1,000
Share premium account		197,000	-
Profit and loss account		(14,756)	(74,867)
Shareholders' funds / (deficit)		<u>186,244</u>	<u>(73,867)</u>

The notes on pages 8 to 11 form an integral part of the financial statements.

These financial statements were approved by the directors on 14th March 2018 and are signed on their behalf by:



A W Robinson
Director

The Bajan Trading Company Limited

Statement of changes in equity

18 months ended 31 March 2017

	Called-up share capital £	Share Premium account £	Profit and loss account £	Total £
Balance as at 1 October 2014	1,000	-	(68,304)	(67,304)
Loss and comprehensive expenditure for the year	-	-	(6,563)	(6,563)
Balance as at 30 September 2015	1,000	-	(74,867)	(73,867)
Profit and comprehensive income for the year	-	-	60,111	60,111
On issue of shares	3,000	197,000	-	200,000
Balance as at 31 March 2017	4,000	197,000	(14,756)	186,244

On 19 August 2016 the company issued 3,000 shares for cash at £66.67 a share. The shares were bought by H. J. Neill Limited, a company registered in England whose principal activity is the sales of bottled spirits.

There were no changes to equity resulting from the transition to reporting under FRS 102.

The Bajan Trading Company Limited

Company cash flow statement

18 months ended 31 March 2017

	18 month period ended 31 March 2017 £	Unaudited Year ended 30 September 2015 £
Cash flows from operating activities		
Profit / (Loss) for the financial period	60,111	(6,563)
Unrealised foreign exchange loss	2,347	434
Adjustments for:		
(Increase) in stocks	(39,323)	-
(Increase) in debtors	(6,566)	(286)
Increase in creditors	3,785	811
Net cash inflow / (outflow) from operating activities	20,354	(5,604)
Cash inflow / (outflow) from financing activities		
Issue of shares	200,000	-
Increase in long term finance	255	13
Net cash inflow from long term investing activities	200,255	13
Net increase / (decrease) in cash and cash equivalents	220,609	(5,591)
Cash and cash equivalents at the beginning of the period	13,908	19,933
Effect of exchange rate loss on closing cash balance	(2,347)	(434)
Cash and cash equivalents at the end of the period	232,170	13,908

The Bajan Trading Company Limited

Notes to the financial statements

18 month period ending 31 March 2017

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the preceding period. Details of the transition to FRS 102 can be found in note 16.

General information and basis of preparation

The Bajan Trading Company 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 The Bajan Trading Company Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going concern

The company meets its day-to-day working capital requirements through the investment made in the course of the period and on-going profits. 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.

After making enquiries the directors have a reasonable expectation that the company and the group has access to adequate resources and believe that the company and the group are well placed to manage their business risks successfully, despite the current uncertain economic outlook, and any impact on consumer spending, and are expected 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 goods and represents amounts receivable for goods net of VAT and trade discounts.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on estimated selling price less further costs of sale. There are no internal costs included within the stock balances.

Corporation tax

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

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Bajan Trading Company Limited

Notes to the financial statements (continued)

18 month period ending 31 March 2017

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.

2. STATEMENT OF COMPLIANCE

The financial statements of The Bajan Trading Company 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 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 total turnover for the period related to UK sales of goods (prior period also 100% of sales in the UK).

5. OPERATING PROFIT /(LOSS)

Operating profit /(loss) is stated after charging:

	2017	Unaudited 2015
	£	£
Losses / (gains) on foreign exchange	138	(1,130)
Audit fee	5,100	

There were no non-audit fees payable to the auditor.

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were nil in 2017 nil (2015 :nil).

The Bajan Trading Company Limited
Notes to the financial statements (continued)
18 month period ending 31 March 2017

7. TAXATION

	2017 £	Unaudited 2015 £
Current Tax on profit		
UK corporation tax	-	-
Deferred tax		
Total deferred tax	-	-
Total tax on profit / (loss)	-	-

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 as follows:-

Profit / (loss) on activities before taxation	60,111	(6,563)
Tax on profit / (loss) on ordinary activities at standard UK corporation tax rate of 20% (2015:20%)	12,022	(1,313)
Effects of:		
Utilisation of tax losses not previously recognised	(12,022)	1,313
Total tax charge for the period	-	-

A deferred tax asset has not been recognised in respect of trading losses: £3k (2015: £15k) as there is insufficient evidence that the asset will be recovered.

8. STOCK

	2017 £	Unaudited 2015 £
Raw materials	39,323	-

In the opinion of the directors, there is no material difference between the balance sheet value of stocks, at 31 March 2017, and their replacement cost.

9. DEBTORS

	2017 £	Unaudited 2015 £
Trade debtors	6,502	224
Other debtors & prepayments	350	62
	6,852	286

Debtors do not include any items due in more than one year.

The Bajan Trading Company Limited

Notes to the financial statements (continued)

18 month period ending 31 March 2017

10. CREDITORS: amounts falling due within one year

	2017	Unaudited 2015
	£	£
Trade creditors	32	897
Other creditors	5,100	450
	<u>5,132</u>	<u>1,347</u>

11. CREDITORS: amounts falling due after more than one year

	2017	Unaudited 2015
	£	£
Related party loan	86,969	86,714
	<u>86,969</u>	<u>86,714</u>

The loans are not interest bearing.

12. SHARE CAPITAL

Authorised share capital:

	2017	Unaudited 2015
	£	£
4,000 (2015: 1,000) Ordinary shares of £1 each	<u>4,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2017 No	2017 £	2015 No	Unaudited 2015 £
4,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>	<u>1,000</u>	<u>1,000</u>

On 19 August 2016 the 1,000 company shares were re-designated as "Y shares", at the same time the company issued and allotted 3,000 "X shares", Ordinary shares with a nominal value of £1 each, which were purchased by H. J. Neill Limited, a company registered in England whose principal activity is the sale of bottled spirits. The shares were issued at a premium of £65.67 each. Both classes of share have equal voting, dividend and capital redemption rights.

13. CONTINGENT LIABILITY

There are no contingent liabilities noted at the reported period ends.

14. RELATED PARTY TRANSACTIONS

Included in the 2017 financial statements is turnover of £114,983 in respect of sales to a controlling party. Purchases from controlling parties totalled nil. Other related party transactions comprised Director's expenses of S K Wallace 2017 £3,342 (2015:nil) and J R Davies £181 (2015:nil).

At the 31 March 2017 the company owes S K Wallace £43,708 (2015: £43,634) and J R Davies £43,261 (2015: £43,080).

The Bajan Trading Company Limited

Notes to the financial statements (continued)

18 month period ending 31 March 2017

15. ULTIMATE PARENT AND CONTROLLING PARTY

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

The directors consider that the ultimate controlling party of the company is the Estate of J E Halewood, owing to its overall control of the parent company.

16. TRANSITION TO FRS 102

This is the first period that the Company has presented its results under FRS 102. The last financial statements under the previous UK GAAP were for the year ended 30 September 2015. The date of transition to FRS 102 was 1 October 2014. No changes to reported numbers were required as a result of the transition to FRS 102.