

COMPANY REGISTRATION NO: 03699814

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HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

**Annual Report and Financial Statements
For the 53 week period ended 1 July 2017**



HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

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HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

COMPANY INFORMATION

DIRECTORS

Mrs J M Halewood
Mr P G Eaton
Mr I A Douglas
Mr S J Oldroyd (resigned 5 October 2016)
Mr S A Hainsworth
Mr A D Murray (resigned 8 March 2017)
Mr A W Robinson
Mr J A Bradbury (appointed 16 March 2017)

SECRETARY

Miss A P McCaffrey (appointed 16 November 2015)

REGISTERED OFFICE

The Sovereign Distillery
Wilson Road
Huyton Business Park
Huyton
Merseyside
L36 6AD
United Kingdom

COMPANY REGISTRATION

03699814

BANKERS

National Westminster Bank plc
22 Castle Street
Liverpool
L2 0UP

AUDITOR

Deloitte LLP
Statutory Auditor
Horton House
Exchange Flags
Liverpool
L2 3PG
United Kingdom

HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

STRATEGIC REPORT

BUSINESS REVIEW

Halewood Wines and Spirits PLC (Halewood) has returned to revenue growth and delivered another year of profit growth in the financial year to July 2017. The results reflect a positive turnaround year as the new management team have delivered a number of key supermarket listings in mid-priced and premium spirits throughout the globe. Exports expanded with an increased emphasis on Asia particularly China and Thailand.

The Group strategy of developing a premium range of artisanal craft spirits and beers alongside continued investment in brand marketing, Route to Market distribution and vertical integration has delivered revenue and profit growth. The Group's investment in production capability and acquisitions, especially distilling, brewing and sourcing has simulated development of higher quality liquids to create strong brand provenance and a point of difference, key acquisitions include Hawkshead Brewery, City of London Distillery and Sadler's Ales. The Group has continued to delist low margin and non-profitable lines, rationalised brands and product ranges moving from a volume focus to a margin driven branded business.

H&A Prestige has performed well as the demand for specialised packaging and new artisanal spirits has increased. Willow Water continued to struggle in the period against strong competition and the plant was closed in November 2017 to allow expansion of newly acquired Hawkshead Brewery.

South Africa results remain steady despite political difficulties and rand devaluation. Romania has continued to improve its business although its wines are mainly domestically focused.

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

	2017 £'000	2016 £'000
Turnover	216,720	214,690
Operating profit/(loss)	4,874	2,620
Depreciation	5,316	4,727
Amortisation	545	226
EBITDA	10,735	7,573

The Directors consider the key performance indicators of the Group to be Turnover, Gross Margin, EBITDA and operating cash flows which are documented on pages 10 to 15 and in the Directors Report on Page 2. The KPI targets were achieved during the period and future targets are based on further growth and continued implementation of strategy.

The Group monitors closely cash flow from operating activities. During the period, the cash outflow from operating activities amounted to £9,011K (2016: inflow £2,734K).

POST BALANCE SHEET EVENTS

On 3rd August 2017, Halewood International Limited acquired a further 20% of the ordinary share capital of The City of London Distillery Limited such that it now owns 80% of the ordinary share capital.

On 12th September 2017, Halewood International Limited acquired 50% of the ordinary share capital of Pinchos Bar Limited, a company limited by shares and incorporated in the UK, whose principle activity is the operation of a public house.

STRATEGIC REPORT (Continued)

On the 8th November 2017, Halewood Wines & Spirits PLC disposed of its 100% investment in Halewood International Properties Limited for consideration made up of part cash £1.4m and part shares in Chalie Richards & Company Limited, a company incorporated in the UK, whose principle activity is supply and wholesale of premium wines & spirits.

In November 2017, Halewood Wines & Spirits PLC announced that it was ceasing production of Willow Water and reinvesting in brewery equipment at the site to create a secondary Hawkshead Beer brewery.

FUTURE OUTLOOK

The Group will continue to focus on its successful strategy of new product development in premium spirits and artisanal beers, combined with key strategic acquisitions, tight cost control and production efficiency. Acquisitions over the last two years in gin, whisky and craft beer in the British Isles and South Africa will provide future potential in these high growth categories. Consumers globally have shown continued interest in craft brands with strong and local provenance.

The Group plans further vertical integration and internal investment in its distilling and brewing capability to enhance the premium artisanal spirits and beer portfolio with a new distillery in North Wales already operating and a Scottish distillery planned for 2018. Geographical expansion in new markets and the new products from the distilleries in North Wales and Scotland will further improve Halewood's ability to provide a full service and point of difference to the trade and consumers.

By maintaining a diverse portfolio of products at multiple price points and operating in several geographical regions, especially Asia and the USA, in addition to exporting to many others, the Group expects to minimise risk from competition, changes in consumers' tastes and the impact of Brexit.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are considered to relate to competition from other operators and industry developments.

Competitor risk

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

Credit risk

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

Taxation risk

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

Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities, which are linked to the Bank of England base rate or Libor base rate, and does not consider itself to be exposed to any significant interest cash flow risk. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Currency risk

As the Group sells and operates in multiple markets around the globe it is exposed to movements in key currencies, in particular the Euro, US Dollar and South African Rand. This risk is managed at a Group level with forward contracts taken out to manage the risk. The Group has a number of contracts open at 1 July 2017, as disclosed in note 30.

STRATEGIC REPORT (Continued)

Liquidity risk

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

Approved by the Board on 21 December 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Judi Halewood', with a large, sweeping flourish underneath.

J M Halewood

Director

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements of the Company and the Group for the 53 weeks ended 1 July 2017. Future developments and principal risks and uncertainties are included in the Strategic Report in accordance with the Companies Act section s414c (11).

PRINCIPAL ACTIVITIES

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

On 11 November 2016, the company changed its name to Halewood Wines and Spirits PLC.

RESULTS AND DIVIDENDS

The Group profit for the period is disclosed on page 8. No dividends were declared or paid during the period (2016: £Nil).

DIRECTORS

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

GOING CONCERN

The directors have continued to adopt the going concern basis in preparing these financial statements, additional disclosures are presented in note 1 to the financial statements

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the period the Group made charitable donations of £34K (2016: £50K). No political contributions were made by the company or its subsidiaries.

EMPLOYEES

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

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

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by shareholders holding in aggregate 5 per cent or more of the total allocated shares in the Company.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable to 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 group and of the profit or loss of the group 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;

STRATEGIC REPORT (Continued)

- 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 and group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (continued)

AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approval

The Directors' Report was approved by the Board on 21 December 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J M Halewood', with a small flourish underneath.

J M Halewood

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 1st July 2017 and of the group's profit for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Halewood Wines and Spirits PLC (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 36.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC) (continued)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC) (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

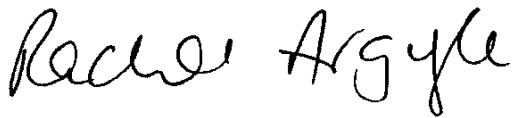
In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.



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

21 December 2017

CONSOLIDATED PROFIT AND LOSS ACCOUNT**For the 53 week period ended 1 July 2017**

	Note	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Turnover	4	216,720	214,690
Cost of sales		(158,480)	(163,299)
Gross profit		58,240	51,391
Distribution costs		(22,585)	(25,167)
Administrative expenses		(30,781)	(23,604)
Operating profit	7	4,874	2,620
Interest receivable and similar income	5	72	619
Interest payable and similar charges	6	(887)	(613)
Fair value of financial instruments		570	(524)
Share of joint venture profit/(loss)		233	(32)
Profit before taxation		4,862	2,070
Taxation on profit	10	(928)	(374)
Profit after taxation		3,934	1,696
Profit for the financial year attributable to:			
Non-controlling interest	26	1,374	32
Equity shareholders of the Company		2,560	1,664
		<u>3,934</u>	<u>1,696</u>

The profit for the current period and loss for the prior period arise from the Group's continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the 53 weeks ended 1 July 2017**

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Profit for the year	3,934	1,696
Foreign exchange movement	1,779	(478)
Total comprehensive income for the year	<u>5,713</u>	<u>1,218</u>
Total comprehensive income for the year attributable to:		
Non-controlling interest	1,374	32
Equity shareholders of the Company	4,339	1,186
	<u>5,713</u>	<u>1,218</u>

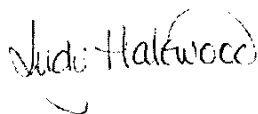
HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

CONSOLIDATED BALANCE SHEET

As at 1 July 2017

	Note	1 July 2017 £'000	25 June 2016 £'000
Fixed assets			
Brands and IPR	11	1,798	1,584
Goodwill	11	9,062	748
Negative goodwill	11	(28)	(30)
Intangible assets		10,832	2,302
Tangible assets	12	48,482	38,538
Investments	13	262	358
Share of JV net assets	13	786	921
		49,530	39,817
Current assets			
Stocks	15	36,557	27,306
Debtors	16	42,508	38,463
Investments	17	1,400	2,145
Cash at bank and in hand		5,515	10,651
		85,980	78,565
Creditors: amounts falling due within one year	18	(68,900)	(59,910)
Net current assets		17,080	18,655
Total assets less current liabilities		77,442	60,774
Creditors: amounts falling due after more than one year	19	(12,700)	(2,014)
Provision for liabilities	23	(471)	-
Net assets		64,271	58,760
Capital and reserves			
Called up share capital	24	95	95
Capital redemption reserve		5	5
Profit and loss account		62,931	58,592
Shareholders' funds		63,031	58,692
Non-controlling interests	25	1,240	68
Total capital employed		64,271	58,760

The financial statements of Halewood Wines and Spirits PLC (formerly Halewood International Holdings PLC), registered number 03699814, were approved by the board of directors on 21 December 2017 and signed on their behalf by:



J M Halewood

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 1 July 2017

	Called-up share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000	Non- controlling interest £'000	Total £'000
At 27 June 2015	95	5	57,406	57,506	(32)	57,474
On acquisition	-	-	-	-	68	68
Profit for the period	-	-	1,664	1,664	32	1,696
Exchange loss	-	-	(478)	(478)	-	(478)
Balance as at 25 June 2016	95	5	58,592	58,692	68	58,760
On acquisition	-	-	-	-	(202)	(202)
Profit for the period	-	-	2,560	2,560	1,374	3,934
Exchange gain	-	-	1,779	1,779	-	1,779
Total comprehensive income for the period	-	-	4,339	4,339	1,374	5,713
Balance as at 1 July 2017	95	5	62,931	63,031	1,240	64,271

HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

COMPANY BALANCE SHEET

As at 1 July 2017

	Note	1 July 2017 £'000	25 June 2016 £'000
Fixed assets			
Investments	13	10,614	10,614
Current assets			
Debtors	16	22,603	21,983
Creditors: amounts falling due within one year	18	(8,518)	(9,125)
Net current assets		14,085	12,858
Total assets less current liabilities		24,699	23,472
Creditors: amounts falling due after more than one year	19	(244)	(258)
Net assets		24,455	23,214
Capital and reserves			
Called up share capital		95	95
Profit and loss account		24,360	23,119
Shareholders' funds		24,455	23,214

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit after tax for the financial period amounted to £1,241K (2016: £2,657K).

The financial statements of Halewood Wines and Spirits PLC (formerly Halewood International Holdings PLC), registered number 03699814, were approved by the Board of directors on 21 December 2017 and signed on their behalf by:



J M Halewood
Director

COMPANY STATEMENT OF CHANGES IN EQUITY
As at 1 July 2017

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 25 June 2015	95	20,462	20,557
Total comprehensive income for the period	-	2,657	2,657
Balance as at 25 June 2016	95	23,119	23,214
Total comprehensive income for the period	-	1,241	1,241
Balance as at 1 July 2017	95	24,360	24,455

CONSOLIDATED CASH FLOW STATEMENT
For the 53 week period ended 1 July 2017

		53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
	Note		
Cash flows from operating activities	26	(9,577)	2,734
Returns on investment and servicing of finance			
Interest received		72	619
Purchase of tangible fixed assets		(10,345)	(4,542)
Sale of fixed assets		1,574	1,191
Sale of investments		-	186
Purchase of joint venture		-	(953)
Purchase of investments		(12,368)	(215)
Purchase of intangibles		(218)	(1,639)
Cash acquired with a subsidiary		705	18
Net cash flows from investing activities		(20,580)	(5,335)
Cash outflow from financing activities			
Drawdown/(repayment) of loans		10,939	(21)
Capital element of finance lease		(10)	(391)
Net cash inflow/(outflow) from financing activities		10,929	(412)
Net decrease in cash		(19,228)	(3,013)
Cash at the beginning of the year		(256)	2,757
Effect of foreign exchange rates		(74)	-
Cash at the end of the year		(19,558)	(256)
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		5,515	10,651
Overdrafts		(25,073)	(10,907)
		(19,558)	(256)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

1. ACCOUNTING POLICIES

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

Basis of accounting

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

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 1 July 2017. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method unless the subsidiary is held exclusively with a view to subsequent resale and the subsidiary has not previously been consolidated.

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

Going concern

The group meets its day-to-day working capital requirements through a combination of bank overdrafts secured over debts and stock and loans secured over properties, (refer to note 18). The group's forecasts and projections, taking account of possible changes in trading performance, show that the group and company are expected to be able to operate within the level of funding available. On 24 February 2017 the group completed on a re-financing agreement with Natwest RBS. The new facility is due for renewal on the third anniversary of the completion date.

The directors manage liquidity risk by performing regular cash flow forecasting and consistently reviewing operations. The Group's cash position at the 1 July 2017 was £5.5m (2016: £10.7m). Debt has increased from £12.0m at 25 June 2016 to debt of £38m at 1 July 2017. Overall net debt as at 1 July 2017 is £31m from £1m as at 25 June 2016.

In carrying out their duties in respect of going concern, the directors have carried out a review of the Group's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. These have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the uncertainties brought about by the current economic environment. Having taken all of the above factors into consideration, the directors have reached a conclusion that the Group is able to manage its business risks. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Capital grants

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

1. ACCOUNTING POLICIES (continued)

Turnover

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

Interest revenue

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

Goodwill

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

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

Intangible assets

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

Tangible fixed assets

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

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

- | | |
|-------------------------|---------------------------------------|
| • Freehold buildings | 2% straight line on cost or valuation |
| • Leasehold buildings | Over lease period |
| • Fixtures and fittings | 15% to 25% straight line on cost |
| • Plant and machinery | 10% to 25% straight line on cost |

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

1. ACCOUNTING POLICIES (continued)

Investments

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

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

Stocks

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

Taxation

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

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

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

1. ACCOUNTING POLICIES (continued)

Leases

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

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

Bank borrowings

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

Pensions

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

Associates

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

1. ACCOUNTING POLICIES (continued)

Financial instruments

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

Financial assets

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

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

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

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

Financial liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

1. ACCOUNTING POLICIES (continued)

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.

2. STATEMENT OF COMPLIANCE

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

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

4. SEGMENTAL ANALYSIS

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

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
United Kingdom	152,060	163,407
Other EC countries	10,584	4,201
Rest of Europe	7,489	10,690
Other	46,587	36,392
	<u>216,720</u>	<u>214,690</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Bank interest	-	271
Corporation tax interest received	-	281
Interest due from related parties	72	67
	<u>72</u>	<u>619</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Bank overdraft	826	555
Bank loan interest	45	-
Finance lease interest	9	14
Related party interest	7	42
Corporation tax interest	-	2
	<u>887</u>	<u>613</u>

HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

7. OPERATING PROFIT

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

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Depreciation of owned tangible fixed assets	4,476	3,969
Depreciation of tangible fixed assets held under finance leases	840	758
Operating lease rentals - land and buildings	267	204
- plant and machinery	87	256
- others	13	55
Government grants released in period	(288)	(201)
Amortisation - goodwill	337	146
- negative goodwill	(2)	(2)
- brands & IPR	210	82
Impairment of investments	756	11
(Profit)/Loss on disposal of tangible fixed assets	(61)	225
Impairment of tangible fixed assets	-	374
Loss on disposal of investments	96	-
Foreign exchange loss	311	1,033
Cost of inventories recognised as an expense	169,069	162,858
Write downs of inventories recognised as an expense	795	441
Auditor's remuneration		
Fees payable for the audit of the Company's annual financial statements	9	9
Fees payable for the audit of the Company's subsidiaries pursuant to legislation	156	133
Total audit fees	165	142
Non audit fees - taxation	-	10
- other services	-	3

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the 53 week period ended 1 July 2017****8. EMPLOYEES**

The remuneration of employees, including directors, was:

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Group		
Wages and salaries	21,548	18,979
Social security costs	1,912	1,862
Pensions - defined contribution schemes (note 30)	1,434	1,283
	<u>24,894</u>	<u>22,124</u>

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

	2017 No.	2016 No.
Administration and selling	352	323
Warehouse, production and distribution	613	649
	<u>965</u>	<u>972</u>

Company

No staff costs or directors' remuneration were paid by the company during the period (2016: £nil). They are paid by Halewood International Limited. There were no staff employed by the company during the period (2016: nil).

9. DIRECTORS' EMOLUMENTS

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Group		
Emoluments	1,610	1,937
Company contributions to money purchase pension schemes	30	44
Compensation for loss of office	-	160
	<u>1,640</u>	<u>2,141</u>
 The emoluments of the highest paid director were:	 £'000	 £'000
Emoluments	<u>519</u>	<u>516</u>

Pension contributions have been made on behalf of 5 directors (2016: 6).

The directors are considered to be the key management personnel.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

10. TAXATION ON PROFIT

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Current tax on profit		
UK corporation tax	797	-
Foreign Tax	(186)	(268)
	<u>611</u>	<u>(268)</u>
Adjustments in respect of prior years		
UK corporation tax	(59)	62
Foreign tax	43	746
	<u>595</u>	<u>540</u>
Deferred taxation		
Origination and reversal of timing differences	333	(165)
Effect of decrease in tax rate in opening liability	-	-
Effect of a change in the tax status of the entity or its shareholders	-	-
Decrease in estimate of recoverable deferred tax asset	-	(1)
	<u>333</u>	<u>(166)</u>
Total deferred taxation	<u>333</u>	<u>(166)</u>
Total taxation on profit	<u>928</u>	<u>374</u>

The standard rate of tax applied to reported profit is 19.75% (PY 20%).

Finance Act 2016, which was enacted in September 2016, included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020. Accordingly, deferred tax balances have been restated to the lower rate of 17% in these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the 53 week period ended 1 July 2017****10. TAXATION ON PROFIT (continued)**

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Profit before taxation	4,862	2,070
Tax on group profit at standard United Kingdom corporation tax rate of 19.75% (2016: 20%)	960	414
Effects of:		
Expenditure not tax deductible for tax purposes	783	199
Income not taxable in determining taxable profit	(245)	(47)
Utilisation of tax losses not previously recognised	(451)	(4)
Change in unrecognised deferred tax assets	54	101
Effect of tax rates on overseas earnings	(154)	(1,097)
Adjustment to tax charge in respect of prior periods	(19)	808
Total tax charge	928	374

A deferred tax liability of £440k (2016: £426k) in relation to unremitted earnings of Halewood International South Africa Pty Ltd has not been recognised as there are no plans to remit this entity's earnings to the UK.

11. INTANGIBLE FIXED ASSETS AND GOODWILL

	Brands and IPR £'000	Positive Goodwill £'000	Negative Goodwill £'000	Total £'000
Cost				
At 25 June 2016	4,315	1,178	(304)	5,189
Additions	424	8,651	-	9,075
At 1 July 2017	4,739	9,829	(304)	14,264
Amortisation				
At 25 June 2016	2,731	430	(274)	2,887
Charge for the period	210	337	(2)	545
At 1 July 2017	2,941	767	(276)	3,432
Net book value				
At 1 July 2017	1,798	9,062	(28)	10,832
At 25 June 2016	1,584	748	(30)	2,303

All amortisation is charged to administration costs in the consolidated profit and loss account.

During the year the group acquired a number of subsidiaries, see note 15 for further details.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

12. TANGIBLE FIXED ASSETS

Group	Freehold Property £'000	Plant & Machinery, Fixtures & Fittings £'000	Total £'000
Cost			
At 25 June 2016	18,639	58,810	77,449
Additions	413	9,947	10,360
Acquired upon acquisition	1,352	2,867	4,219
Disposals	(138)	(2,469)	(2,607)
Exchange adjustment	897	1,682	2,579
At 1 July 2017	21,163	70,837	92,000
Accumulated depreciation			
At 25 June 2016	3,339	35,572	38,911
Charge for the period	472	4,844	5,316
Disposals	(2)	(1,070)	(1,072)
Exchange adjustment	133	230	363
At 1 July 2017	3,942	39,576	43,518
Net book value			
At 1 July 2017	17,221	31,261	48,482
At 25 June 2016	15,300	23,238	38,538

The net book value of plant & machinery includes an amount of £2,787K (2016: £3,355K) in respect of assets held under hire purchase contracts. Depreciation charged in respect of these assets in the period was £840K (2016: £758K). The net book value of assets under construction was £3,613K (2016: £583k); these assets are not being depreciated.

The company does not hold any tangible fixed assets (2016: same).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

13. FIXED ASSET INVESTMENTS

Group	Unquoted Investments £'000	Racehorses £'000	Total £'000
Cost			
At 25 June 2016	294	162	456
Additions	-	48	48
Disposal	(132)	-	(132)
At 1 July 2017	162	210	372
Provisions for impairment			
At 25 June 2016	-	98	98
Charge for the period	-	12	12
At 1 July 2017	-	110	110
Net Book Value			
At 1 July 2017	162	100	262
At 25 June 2016	294	64	358

The racehorses are held by the Group at cost and amortised over 5 years.

Group	Interests in joint ventures £'000
Cost and Net Book Value at 25 June 2016	488
Disposal on increased investment (see note below)	(280)
Share of joint venture loss	233
Cost and Net Book Value at 1 July 2017	441
Goodwill cost as at 25 June 2016 & 1 July 2017	433
Amortisation as at 25 June 2017	(44)
Charge in the year	(44)
Amortisation as at 25 June 2017	(88)
Goodwill Net Book Value at 1 July 2017	345
Total interest in JV	786

On 1 July 2016, Skibbereen Distilleries Holding Limited, a company owned 62% by Halewood Wines and Spirits PLC and incorporated in Ireland acquired 43.75% of West Cork Distillers Limited. On 1st January 2017 an option was exercised such that West Cork Distillers Limited became a subsidiary of Halewood Wines and Spirits PLC.

On the 1 July 2016, Halewood International South Africa Proprietary Limited, a company 100% owned by Halewood Wines & Spirits PLC and incorporated in South Africa, acquired 40% in 7 Stars Beverages Proprietary Limited, a company limited by shares and also incorporated in South Africa.

HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

13. FIXED ASSET INVESTMENTS (continued)

Company	Investments in subsidiary undertakings £'000
Cost and Net Book Value At 25 June 2016 & 1 July 2017	10,614

The company's principal subsidiaries and joint venture undertakings are set out below. A full list of subsidiary companies is set out in note 34. All subsidiaries are 100% owned and registered in England and Wales unless otherwise stated. The registered office address of all entities is as follows unless otherwise stated: The Sovereign Distillery, Wilson Road, Huyton, L36 6AD

Principal subsidiary undertakings	Principal activity	Registered office	Company number	Country of incorporation
<i>Through Halewood Wines and Spirits PLC</i>				
Halewood International Properties Ltd	Property company		02516305	UK
Willow Water Limited	Production & sale of bottled water		05539318	UK
Halewood International Holdings (UK) Limited	Investment Holding Company		03374741	UK
	Investment Holding Company		03731605	UK
Halewood International Holdings (Overseas) Limited	Wine & spirits bottler		01762466	UK
H&A Prestige Bottling Limited	Marketing services	The Winery, Ackhurst Road, Ackhurst Business Park, Chorley, PR7 1NH	03861237	UK
Halewood International Marketing Limited				
<i>Through Halewood International Holdings (UK) Limited:</i>				
Halewood International Limited	Distribution of wines and spirits		03920410	UK
Halewood International Brands Limited	Brand ownership		03896214	UK
Lambrini Limited	Brand ownership		03920385	UK
Red Square Beverages Limited	Brand ownership		03920408	UK
Halewood Wines SRL	Wine production		15716637	Romania
Hawkshead Brewery Limited #	Brewery and public house	Staveley Mill Yard, Staveley, Cumbria, LA8 9LR	01488467	UK
City of London Distillery Limited # (60%)	Distillery and public house	22-24 Bride Lane, London, EC4Y 8DT	07963963	UK
Windsor Castle Brewery Limited # (60%)	Brewery	Unit 2 Conyers Trading Estate Station Drive, Lye, Stourbridge, West Midlands, England, DY9 3EH	05063381	UK
Sadler's Brewhouse Limited # (51%)	Public house	Unit 2 Conyers Trading Estate Station Drive, Lye, Stourbridge, West Midlands, England, DY9 3EH	09416020	UK
<i>Through H&A Prestige Bottling Limited:</i>				
H J Neill Limited # (75%)	Brand Owner		09927950	UK
The Bajan Trading Company Limited # (75%)	Manufacturer of spirits		06377231	
<i>Through Halewood International Holdings (Overseas) Limited:</i>				
Halewood International Trademarks Limited	Brand Ownership		01360434	UK

HALEWOOD WINES AND SPIRITS PLC (formerly HALEWOOD INTERNATIONAL HOLDINGS PLC)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

Halewood International SA Pty Limited	Wines and spirits bottler	61 Toronto Road, Apex Ext 1 Benoni, 1501	1998/001887/07	South Africa
Halewood Properties South Africa (Pty) Limited	Property company	61 Toronto Road, Apex Ext 1 Benoni, 1501	2000/008398/07	South Africa
Snowbliss (Pty) Limited (51%)	Manufacturer of cocktails	PKF O'Connor, Leddy & Holmes Limited, century House, Harold's Cross Road, Dublin 6W	274521	South Africa
Halewood International Beverages (Ireland) Limited	Management of business development executives	PKF O'Connor, Leddy & Holmes Limited, century House, Harold's Cross Road, Dublin 6W	583683	Republic of Ireland
Skibbereen Distilleries Holdings Limited # (62%)	Investment holding company	PKF O'Connor, Leddy & Holmes Limited, century House, Harold's Cross Road, Dublin 6W	452466	Republic of Ireland
West Cork Distillers Limited # (65%)	Production of spirits	Market Street, Skibbereen, Co Cork	91110115717749 457U	China
<i>Through Halewood International Trademarks Limited:</i>				
Beijing Shunxing Halewood Alcoholic Beverages Limited	Distribution of wines and spirits	Room C506, Building 3, Di Sheng Nan Street No.1, BDA, Beijing, China	1343309	South Africa
Cramele Halewood SA	Wine production		9954170	Romania
Domenile Halewood SRL	Production of wines and spirits		13790440	Romania
Vitis Murfatlar SRL	Wine production		17154810	Romania
Halewood Organic SRL (was Vitis Sebes)	Wine production		1771976	Romania
Joint ventures	Principal activity			Country of incorporation
Halewood International Streams of Whiskey Ltd 50% joint venture	Brand owner		09997019	UK
7 Stars Beverages (Pty) Limited # (40%)	Alcoholic drinks manufacturer			South Africa

Entity acquired during the year, see note 15 for details.

Audit exemption

The subsidiary undertakings consolidated as at 1 July 2017, who claimed exemption from audit under section 479A Companies Act 2006, were as follows:

Principal subsidiary undertakings	Principal activity	Company number	Country of incorporation	Class of share
Halewood International Properties Ltd	Property company	02516305	UK	Ordinary
Willow Water Limited	Production & sale of bottled water	05539318	UK	Ordinary
Halewood International Holdings (UK) Limited	Investment Holding Company	03374741	UK	Ordinary
Halewood International Holdings (Overseas) Limited	Investment Holding Company	03731605	UK	Ordinary
Halewood International Marketing Limited	Marketing services	03861237	UK	Ordinary
Halewood International Brands Limited	Brand ownership	03896214	UK	Ordinary
Lambrini Limited	Brand ownership	03920385	UK	Ordinary
Red Square Beverages Limited	Brand ownership	03920408	UK	Ordinary
Halewood International Trademarks Limited	Brand Ownership	01360434	UK	Ordinary
Hawkshead Brewery Limited	Production & sale of craft beers	01488467	UK	Ordinary
City of London Distillery Limited	Production & sale of spirits	07963963	UK	Ordinary
Windsor Castle Brewery Limited	Production & sale of craft beers	05063381	UK	Ordinary
Sadler's Brewhouse Limited	Public house	09416020	UK	Ordinary
H J Neil Limited	Brand Owner	09927950	UK	Ordinary
The Bajan Trading Company Limited	Supply of wholesale alcoholic drinks	06377231	UK	Ordinary

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

14. ACQUISITION OF SUBSIDIARIES

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

On 1 July 2016, Halewood International Beverages (Ireland) Limited, a company wholly owned by Halewood Wines and Spirits PLC and incorporated in Ireland, purchased 100% of the nominal share capital of Skibbereen Distilleries Holding Limited, which was a newly incorporated company, registered in Ireland. On the same day, Skibbereen Distilleries Holding Limited acquired a significant shareholding in West Cork Distillers Limited, a trading company incorporated and registered in Ireland. On 1st January 2017 an option was exercised such that Skibbereen Distilleries Holdings Limited acquired a controlling interest in West Cork Distilleries Limited.

On 19th August 2016, H J Neil Limited, a company 75% owned by H&A Prestige Bottling Ltd and incorporated in the UK, acquired 75% of the ordinary share capital of The Bajan Trading Company Limited. The primary activity of the entity is the manufacturing and distribution of spirits.

On 28th February 2017, Halewood International Limited, a company wholly owned by Halewood Wines & Spirits PLC and incorporated in the UK, acquired 100% of the ordinary share capital of Hawkshead Brewery Limited. The principle activity of Hawkshead Brewery Limited is that of the manufacture and distribution of craft beers.

On 28th March 2017, Halewood International Limited, a company wholly owned by Halewood Wines & Spirits PLC and incorporated in the UK, acquired 60% of the ordinary share capital of The City of London Distillery Limited. The principle activity of The City of London Distillery Limited is that of the manufacture and distribution of spirits.

On 1st April 2017, Halewood International South Africa Proprietary Limited, a company wholly owned by Halewood Wines & Spirits PLC, acquired 51% of the ordinary share capital of Snowbliss (Pty) Limited, whose principal activity is the manufacture of cocktails in pouches and boxes.

On 16th June 2017, Halewood International Limited, a company wholly owned by Halewood Wines & Spirits PLC and incorporated in the UK, acquired 51% of the ordinary share capital of Sadler's Brewhouse Limited. The principle activity of Sadler's Brewhouse Limited is the operation of a public house and bar.

On 20th June 2017, Halewood International Limited, a company wholly owned by Halewood Wines & Spirits PLC and incorporated in the UK, acquired 60% of the ordinary share capital of Windsor Castle Brewery Limited. The principle activity of Windsor Castle Brewery Limited is the manufacture and sale of craft beer.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

14. ACQUISITION OF SUBSIDIARIES (continued)

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

	Book Value £'000	Other adjustments £'000	Fair value to group £'000
Fixed Assets			
Intangible assets	206		206
Tangible assets	4,219	293	4,512
Current Assets			
Stock	2,904		2,904
Debtors	2,768		2,768
Cash	931		931
Total assets	11,028		11,321
Creditors			
Bank overdraft	(225)		(225)
Trade creditors	(4,301)		(4,301)
Accruals	(434)		(434)
Creditor due after one year	(2,062)		(2,062)
Total liabilities	(7,022)		(7,022)
Net assets	4,006	293	4,299
Non-controlling interest			(202)
Effects of foreign exchange			(87)
Goodwill			8,651
			12,661
Satisfied by:			
Cash proceeds			12,368
Fair value adjustment			293
			12,661

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

15. STOCKS

	Group 1 July 2017 £'000	Group 25 June 2016 £'000
Goods for resale	25,327	18,497
Raw materials	9,870	7,369
Consumables	1,360	1,440
	<u>36,557</u>	<u>27,306</u>

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

The Company holds no stocks (2016: same).

16. DEBTORS

	Group 1 July 2017 £'000	Group 25 June 2016 £'000	Company 1 July 2017 £'000	Company 25 June 2016 £'000
Trade debtors	36,684	34,175	-	-
Corporation tax	-	80	262	48
Other debtors	1,410	1,590	-	-
Prepayments	2,167	1,830	-	-
Amounts due from subsidiary under takings	-	-	22,340	21,935
Amounts due from related parties	2,247	788	1	-
	<u>42,508</u>	<u>38,463</u>	<u>22,603</u>	<u>21,983</u>

All amounts are due within one year. Amounts due from subsidiaries and related parties are repayable on demand. Interest is charged based on Bank of England base rate 1.5%.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

17. CURRENT ASSET INVESTMENTS

Group	Shares £'000	Total £'000
At 25 June 2016	2,145	2,145
Impairment	(745)	(745)
At 1 July 2017	<u>1,400</u>	<u>1,400</u>

On 18 June 2010 Halewood International Properties Limited acquired 100% of the issued share capital of JEH Investments Ltd (BVI), a company incorporated in Barbados, for a total consideration of £2,145K. The principal activity of the company is property investment and management in Barbados.

The investment is treated as a current asset as the property held by JEH Investments Ltd is being actively marketed for sale on the open market and JEH Investments Limited (BVI) therefore, is not consolidated into the Halewood Wines and Spirits PLC group in accordance with s405 of Companies Act 2006. As at the balance sheet date the net assets of JEH Investments Limited (BVI) is £3,052k (2016: £3,003k) excluding intercompany balances.

On 11th November 2017 the investment was sold for £1.4m, impairment was required as at 1st July 2017 of £745k.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 1 July 2017 £'000	Group 25 June 2016 £'000	Company 1 July 2017 £'000	Company 25 June 2016 £'000
Bank overdrafts (note 21)	25,073	10,907	-	-
Bank loans (note 21)	1,960	66	-	-
Finance leases (note 21)	465	419	-	-
Trade creditors	19,962	18,639	-	-
Corporation tax	188	-	-	-
Other taxation and social security	7,163	13,262	-	-
Accruals and deferred income	10,729	14,499	767	925
Other creditors	3,145	1,407	118	23
Deferred income – grants (note 22)	215	111	9	9
Amounts due to subsidiary undertakings	-	-	7,624	7,568
Amounts due to related parties	-	600	-	600
	<u>68,900</u>	<u>59,910</u>	<u>8,518</u>	<u>9,125</u>

The finance leases are secured on the assets to which they relate. Amounts due to subsidiaries and related parties are repayable on demand. Interest is charged on inter-company and related party loans based on Bank of England base rate + 1.5%.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

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

	Group	Group	Company	Company
	1 July	25 June	1 July	25 June
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Bank loans (note 20)	11,253	146	-	-
Finance leases (note 20)	128	184	-	-
Other creditors	30	3	-	-
Deferred income grants (note 22)	1,289	1,681	244	258
	<u>12,700</u>	<u>2,014</u>	<u>244</u>	<u>258</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

20. BORROWINGS

	Group 1 July 2017 £'000	Group 25 June 2016 £'000
Bank overdrafts:		
Within one year	25,073	10,907
	<u>25,073</u>	<u>10,907</u>
Bank loans and other loans due:		
Within one year	1,960	66
Between one and two years	3,157	56
Between two and five years	8,096	90
	<u>13,213</u>	<u>212</u>
Finance leases due:		
Within one year	465	419
Between one and two years	128	184
Between two and five years	-	-
	<u>593</u>	<u>603</u>
Total borrowings including finance leases due:		
Within one year	27,498	11,392
Between one and two years	3,285	240
Between two and five years	8,096	90
	<u>38,879</u>	<u>11,722</u>

The Company has no borrowings (2016: same).

Bank loans consist of the following:

- 1) During the year Halewood International Limited secured a loan for £8,100k as part of a refinancing agreement with Natwest RBS. The bank loan is secured on property and plant & machinery and is repayable on the third anniversary following completion date of the new banking facility which completed on 24 February 2017. Interest is charged at LIBOR + 1.75%.
- 2) During the 2015 period Halewood Romania entered into a long-term loan from Raffeisen Bank, payable in full by 2020. Interest is payable on the loan at a rate 3.4% above EURibor. The amount outstanding as at 1 July 2017 was £155K (2016:£202k). The loan is repayable by instalments.
- 3) Borrowing facilities in South Africa are secured against property, debtors, inventory and plant and equipment. The facility accrues interest on the three month Johannesburg Interbank Average Rate of a period of five years commencing 1 August 2016, and is secured by mortgage bonds over the property owned by Halewood Properties Sa (Pty) Limited as well as the cessions on the debtors and insurance policies relating to inventory.
- 4) The bank overdraft is secured over trade debts and finished product stock. Interest is charged at 1.5% above the Bank of England base rate. The overdraft is repayable when trade debt is repaid. The balance outstanding at 1 July 2017 was £25,073K (2016: £10,907k).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

21. FINANCIAL INSTRUMENTS*Disclosures in respect of the Group*

	Group	
	2017	2016
	£'000	£'000
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	36,684	34,175
- Other debtors	1,411	1,590
- Amounts owed by related parties	2,247	788
- Current asset unlisted investment	1,400	2,145
	41,742	38,698
Financial assets/(liabilities) measured at fair value through profit or loss		
- Derivative financial instruments	46	(524)
Financial liabilities that are measured at amortised cost		
- Loans and other borrowings	38,879	11,722
- Trade creditors	19,962	18,639
- Accruals (excluding deferred income)	10,729	14,499
- Other creditors	3,145	1,410
- Amounts owed to related parties	-	600
	72,715	46,870

Derivative financial instruments

The Group enters into derivative financial instruments to hedge against certain risks, such as exchange rate volatility, through forward contracts. Although the instruments represent hedge arrangements, the Group does not apply hedge accounting and, therefore, movements in the fair value of such instruments are recognised in the profit and loss account. During the year ended 1 July 2017 the Group entered into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 1 July 2017, the outstanding contracts all mature within 13 months of the year-end. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates. The fair value of the forward-foreign currency contracts is an asset of £46K (2016: liability £524K).

Disclosures in respect of the Company

	Company	
	2017	2016
	£'000	£'000
Financial assets that are debt instruments measured at amortised cost		
- Amounts owed by subsidiary undertakings	22,340	21,935
- Other debtors	-	-
	22,340	21,935
Financial liabilities that are measured at amortised cost		
- Amounts owed to subsidiary undertakings	7,624	7,568
- Amounts owed to related parties	-	600
- Other creditors	118	23
- Accruals	767	925
- Deferred income	9	-
	8,518	9,116

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the 53 week period ended 1 July 2017

22. DEFERRED INCOME

	Group 1 July 2017 £'000	Group 25 June 2016 £'000	Company 1 July 2017 £'000	Company 25 June 2016 £'000
Grants				
Opening balance	1,792	1,993	261	270
Profit and loss account	(288)	(201)	(9)	(9)
Closing balance	<u>1,504</u>	<u>1,792</u>	<u>252</u>	<u>261</u>

Of the closing grant balance £365k relates to UK grants for business investment and profit improvements. The remaining balance relates to Romanian grants for vines plantation and purchase of related equipment.

23. PROVISIONS FOR LIABILITIES**Deferred taxation**

	Group 1 July 2017 £'000	Group 25 June 2016 £'000	Company 1 July 2017 £'000	Company 25 June 2016 £'000
Opening provision	-	166	-	-
Prior period movement	(46)	-	-	-
Current period credit to profit and loss account	379	(166)	-	-
Acquired with subsidiary	138	-	-	-
Closing provision	<u>471</u>	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax is analysed as follows:

	Group 1 July 2017 £'000	Group 25 June 2016 £'000
Capital allowances in excess of depreciation	991	-
Short term timing differences	(456)	-
Revaluation of fixed assets	(64)	-
	<u>471</u>	<u>-</u>

24. SHARE CAPITAL

	1 July 2017 £'000	25 June 2016 £'000
Issued and fully paid 95,000 ordinary shares of £1 each	<u>95</u>	<u>95</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

25. NON-CONTROLLING INTERESTS

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Opening balance	68	(32)
On acquisition	(202)	68
Profit for the financial period	1,374	32
Closing balance	<u>1,240</u>	<u>68</u>

26. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	53 weeks ended 1 July 2017 £'000	52 weeks ended 25 June 2016 £'000
Operating profit	4,874	2,620
Depreciation of tangible fixed assets	5,316	4,727
Impairment of fixed assets	-	374
(Profit)/loss on sale of tangible fixed assets	(61)	225
Loss on disposal of investments	96	-
Release of deferred income	(288)	(201)
Amortisation - positive goodwill	337	146
- brands and IPR	210	82
- negative goodwill	(2)	(2)
- JV goodwill amortisation	44	-
Impairment of investments	745	-
Movements in working capital:		
Increase in stocks	(6,347)	(1,306)
Increase in debtors	(1,357)	(2,146)
Increase in creditors	(11,932)	(2,016)
	<u>(8,364)</u>	<u>2,503</u>
Interest paid	(887)	(599)
UK corporation tax paid	(326)	-
Foreign tax received	-	830
Net cash (outflow)/inflow from operating activities	<u>(9,577)</u>	<u>2,734</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the 53 week period ended 1 July 2017****27. ANALYSIS OF NET (DEBT)**

	At 25 June 2016 £'000	Acquired with subsidiaries £'000	Cash flow £'000	At 1 July 2017 £'000
Cash at bank and in hand	10,651	705	(5,841)	5,515
Bank overdrafts	(10,907)	-	(14,166)	(25,073)
Cash	(256)	705	(20,007)	(19,558)
Bank loans	(212)	(2,062)	(10,939)	(13,213)
Finance leases	(603)	-	10	(593)
Borrowings	(815)	(2,062)	(10,929)	(13,806)
Net (debt)	(1,071)	(1,357)	(30,936)	(33,364)

28. FINANCIAL COMMITMENTS

The Group and the Company had no contracted capital commitments (2016: same).

Leases

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

	1 July 2017 £'000	25 June 2016 £'000
Land and buildings operating leases which expire:		
Within one year	150	150
Between two and five years	-	-
After five years	648	702
	798	852
Other operating leases which expire:		
Within one year	3	10
Between one and two years	-	3
	3	13

The company had no non-cancellable operating lease commitments at 1 July 2017 (2016: same).

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the 53 week period ended 1 July 2017****29. DERIVATIVE FINANCIAL INSTRUMENTS**

The Group entered into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 1 July 2017, the outstanding contracts all mature within 18 months (2016: same) of the year-end.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD and GBP:ZAR. The fair value of the forward-foreign currency contracts is an asset of £46k (2016: liability £524k). This is included within other debtors.

	Fair value		Fair value	
	Principal	asset	Principal	liability
	1 July	1 July	25 June	25 June
	2017	2017	2016	2016
	£'000	£'000	£'000	£'000
Forward foreign exchange contracts	7,603	46	7,376	524

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

The Company holds no derivatives (2016: same).

30. CONTINGENT LIABILITIES

Halewood Wines and Spirits PLC, Halewood International Limited, Halewood International Properties Limited, Halewood International Trademarks Limited, Halewood International Marketing Limited, Halewood International Brands Limited, Red Square Beverages Limited, H&A Prestige Bottling Limited, Willow Water Limited, Halewood International Holdings UK Ltd, Halewood International Holdings Overseas Limited and Lambrini Limited have given unlimited cross guarantees in respect of the others' bank borrowings. At 1 July 2017 these borrowings amounted to £8,482K (2016: £4,754K).

31. PENSION ARRANGEMENTS

The Group operates a number of defined contribution schemes for which the pension cost charge for the period amounted to £1,434K (2016: £1,283K), which represented contributions to these schemes. The assets of this scheme are held separately for those of the Group in independently administered funds. At 1 July 2017 the amount outstanding to the pension scheme was £97K (2016: £95K).

32. RELATED PARTY TRANSACTIONS

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

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

- 1) The Group has an existing balance owed to the Estate of Mr J E Halewood, at 1 July 2017 the amount outstanding was £nil (2016: £600K). The Group has an existing balance owed from the Estate of Mr J E Halewood at 1 July 2017 of £1K (2016: £20K).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 53 week period ended 1 July 2017

33. SUBSIDIARY COMPANIES

The complete list of subsidiary companies is set out below:

Hawkshead Brewery Limited	Sadler's Brewhouse Limited
City of London Distillery Limited	Windsor Castle Brewery Limited
The Bajan Trading Company Limited	Willow Water Ltd
Skibbereen Distilleries Holdings Limited	H J Neill Ltd
West Cork Distillers Limited	Vintage Wines & Spirits Limited
Beijing Shunxing Halewood Alcoholic Beverages Limited	Halewood International SA (Pty) Limited
Cramele Halewood SA	Halewood Properties SA (Pty) Limited
Domeniile Halewood SRL	Halewood Romania SRL
Dunbar Vintners Limited*	Halewood International Romania SRL
Golding, Hoptroff & Co Limited	H&A Prestige Bottling Limited
Halewood International Beverages (Ireland) Limited	John Crabbie & Company (Wines) Limited*
Halewood International Brands Limited	Lamb & Watt Vintners Limited*
Halewood International Holdings (UK) Limited	Lambrini Limited
Halewood International Holdings (Overseas) Limited	Red Square Beverages Limited
Halewood International Limited	Vitis Sebes SRL
Halewood International Marketing Limited	Viticola Aiud SRL
Halewood International Properties Limited	Vitis Murfatlar SRL
Halewood International Trademarks Limited	Vintage Drinks Limited
	Vintage Wines & Spirits Limited

* Dormant company

34. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the Estate of Mr J E Halewood, and members of his close family control the company as a result of controlling directly or indirectly, 100% of the issued share capital of the company.

The largest and smallest group which is Halewood Wines and Spirits PLC is a member for which consolidated accounts are prepared is Halewood Wines and Spirits PLC, whose registered office is The Sovereign Distillery, Huyton Business Park, Wilson Road, Huyton, L36 6AD.

35. POST BALANCE SHEET EVENTS

On 3rd August 2017, Halewood International Limited acquired a further 20% of the ordinary share capital of The City of London Distillery Limited such that it now owns 80% of the ordinary share capital.

On 12th September 2017, Halewood International Limited acquired 50% of the ordinary share capital of Pinchos Bar Limited, a company limited by shares and incorporated in the UK, whose principle activity is the operation of a public house.

On the 8th November 2017, Halewood Wines & Spirits PLC disposed of its 100% investment in Halewood International Properties Limited for consideration made up of part cash £1.4m and part shares in Chalié Richards & Company Limited, a company incorporated in the UK, whose principle activity is supply and wholesale of premium wines & spirits.

In November 2017, Halewood Wines & Spirits PLC announced that it was ceasing production of Willow Water and reinvesting in brewery equipment at the site to create a secondary Hawkshead Beer brewery.