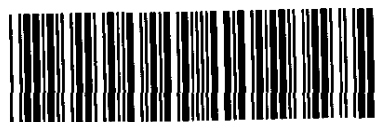


THE BAJAN TRADING COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2018

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The Bajan Trading Company Limited

Report and financial statements to June 2018

Year ended 30 June 2018

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The Bajan Trading Company Limited

Company information

Year ended 30 June 2018

Directors	S K Wallace J R Davis (resigned 15 January 2019) S A Hainsworth A W Robinson J Stocker (appointed 25 September 2017)
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Registered Office	The Sovereign Distillery Wilson Road Liverpool Merseyside L36 6AD
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Registered Number	06377231
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Bankers	National Westminster Bank Plc 250 Regent Street London W1B 3PB
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The Bajan Trading Company Limited

Strategic report

Year ended 30 June 2018

The directors present their report of the company for the 12 month period ended 30 June 2018.

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The accounts are prepared for the year to 30 June 2018, the comparative period is the 3 months to June 17, the accounts will be made up annually to 30 June hereafter.

In 2016 the business entered a distribution agreement with Halewood International Limited for sales of the brand Rum Sixty-Six. Initial distribution of stock took place in the periods leading up to June 2017 with stock replenishment reduced in the current period.

	12 months ended 30 June 2018 £	3 months ended 30 June 2017 £
Turnover	8,237	121,081
Gross profit	2,398	56,442

As at 30 June 2018 Halewood International Limited owns a controlling interest of 3,000 ordinary shares (a 75% interest) in The Bajan Trading Company Limited.

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, the business has no fixed assets. Stocks have increased as a result of an initial investment in a new bottle stocks in a style that is in keeping with the premium nature of the brand and that will be utilised in future productions.

Administration costs have reduced in the current period, prior periods included costs associated with redesigning the bottle to a more premium format for the UK market as noted above.

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

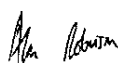
PRINCIPAL RISKS AND UNCERTAINTIES

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.

POST BALANCE SHEET EVENTS

On 29 November 2018 the company completed on a re-financing agreement with Investec Bank. The new facility has a minimum term of 60 months from commencement date.

The strategic report of The Bajan Trading Company Limited was approved by the board of directors and signed on its behalf on 26 March 2019 by:



A Robinson
Director

The Bajan Trading Company Limited

Director's report

Year ended 30 June 2018

The directors present their report and the financial statements of the company for the 12 months ended 30 June 2018. 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 loss for the year after taxation amounted to £1,710 (June 2017: a profit of £36,752). The directors do not recommend the payment of a dividend (June 2017: same).

CHARITABLE AND POLITICAL DONATIONS

No charitable donations were made during the year (June 2017: £nil). No political donations were made during the year (June 2017: £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 year 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.

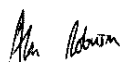
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 26 March 2018 and signed on its behalf by:



Alan Robinson
Director

The Bajan Trading Company Limited

Profit and loss account

Year ended 30 June 2018

		12 months ended 30 June 2018	3 months ended 30 June 2017
	Note	£	£
Turnover	4	8,237	121,081
Cost of sales		(5,839)	(67,918)
Gross profit		2,398	53,163
Administrative expenses		(4,312)	(11,016)
Operating (Loss) / Profit	5	(1,915)	42,147
Interest payable and similar charges		-	-
(Loss) / Profit before taxation		(1,915)	42,147
Tax credit/(charge) on (loss) / profit		205	(5,395)
Profit for the financial year		(1,710)	36,752

The company's activities derive from continuing operations.

Statement of comprehensive income

For the 12 months ended 30 June 2018

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

	12 months ended 30 June 2018 £	3 months ended 30 June 2017 £
(Loss) / Profit and total comprehensive income for the financial period	(1,710)	36,752
Profit and total comprehensive income for the financial period attributable to:		
Owners of the parent	(1,283)	27,564
Non-controlling interests	(427)	9,188

The notes on pages 7 to 11 form an integral part of the financial statements.

The Bajan Trading Company Limited

12 month period ending 30 June 2018

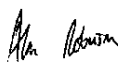
Balance sheet

	Note	June 2018 £	June 2017 £
Current assets			
Stocks	8	96,097	33,892
Debtors	9	742	151,665
Cash at bank and in hand		221,771	159,117
		<u>318,610</u>	<u>344,674</u>
Creditors: amounts falling due within one year	10	(10,355)	(34,709)
Net current assets		<u>308,255</u>	<u>309,965</u>
Total assets less current liabilities		308,255	309,965
Creditors: amounts falling due after more than one year	11	(86,969)	(86,969)
Net assets		<u>221,286</u>	<u>222,996</u>
Capital and reserves			
Called-up equity share capital	12	4,000	4,000
Share premium account		197,000	197,000
Profit and loss account		20,286	21,996
Shareholders' funds		<u>221,286</u>	<u>222,996</u>

The notes on pages 7 to 11 form an integral part of the financial statements.

For the period ended 30 June 2018, the company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the period ended 30 June 2017 in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

These financial statements were approved by the directors on 26 March 2019 and are signed on their behalf by:



Alan Robinson
Director

The Bajan Trading Company Limited

12 month period ending 30 June 2018

Statement of changes in equity

	Called-up share capital £	Share Premium account £	Profit and loss account £	Total £
Balance as at 1 April 2017	4,000	197,000	(14,756)	186,244
Profit for the period	-	-	36,752	36,752
Balance as at 30 June 2017	4,000	197,000	21,996	222,996
(loss) for the period	-	-	(1,710)	(1,710)
Balance as at 30 June 2018	4,000	197,000	20,286	221,286

The notes on pages 7 to 11 form an integral part of the financial statements.

The Bajan Trading Company Limited

12 month period ending 30 June 2018

Notes to the financial statements

1. ACCOUNTING POLICIES

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

General information and basis of preparation

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. On 29 November 2018 the company completed on a re-financing agreement with Investec Bank. The new facility has a minimum term of 60 months from commencement date.

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 accounts.

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

12 month period ending 30 June 2018

Notes to the financial statements (continued)

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 (prior period also 100% of sales in the UK).

5. OPERATING PROFIT

Operating profit / loss is stated after charging:

	June 2018 £	June 2017 £
Loss on foreign exchange	1,207	2,737

There were no audit or non-audit fees payable.

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were June 2018 nil (June 2017: nil).

The Bajan Trading Company Limited

12 month period ending 30 June 2018

Notes to the financial statements (continued)

7. TAXATION

	June 2018 £	June 2017 £
Current Tax (credit) on (loss) / profit		
UK corporation tax	(205)	5,395
Deferred tax		
Total deferred tax	-	-
Total tax (credit) on loss / profit	(205)	-

The standard rate of tax applied to reported profit is 19% (2017: 19.75%). 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. During the period, the tax rate reduced from 19.75% to 19%.

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:-

	June 2018 £	June 2017 £
(Loss) / Profit on activities before taxation	(1,915)	42,147
Tax on (loss) / profit on ordinary activities at standard UK corporation tax rate of 19% (2017:19.75%)	(364)	8,324
Effects of:-		
Effects of group relief	364	(2,929)
Prior period adjustment	(205)	-
Total tax (credit)/charge for the period	(205)	5,395

Deferred tax is nil as all trading losses brought forward have been fully utilised, (2017; £3k) a deferred tax asset was not recognised in respect of trading losses: as there was insufficient evidence that the asset will be recovered.

8. STOCK

	June 2018 £	June 2017 £
Raw materials	96,097	33,892

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

The Bajan Trading Company Limited

12 month period ending 30 June 2018

Notes to the financial statements (continued)

9. DEBTORS

	June 2018 £	June 2017 £
Related party debtors	-	151,528
Other debtors & prepayments	742	137
	<u>742</u>	<u>151,665</u>

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

10. CREDITORS: amounts falling due within one year

	June 2018 £	June 2017 £
Trade creditors	65	-
Other creditors including taxation	5,100	29,314
Corporation tax	5,190	5,395
	<u>10,355</u>	<u>34,709</u>

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

	June 2018 £	June 2017 £
Related party loan	86,969	86,969
	<u>86,969</u>	<u>86,969</u>

The loans are not interest bearing.

12. SHARE CAPITAL

Authorised share capital:

	June 2018 £	June 2017 £
4,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

Allotted, called up and fully paid:

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

The shares in issue comprise 3,000 "X shares" and 1,000 "Y shares"; both classes of share have equal voting, dividend and capital redemption rights..

The Bajan Trading Company Limited

12 month period ending 30 June 2018

Notes to the financial statements (continued)

13. CONTINGENT LIABILITY

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

14. RELATED PARTY TRANSACTIONS

Included in the June 18 financial statements is turnover of £8,237 (June 2017: £121,081) in respect of sales to a controlling party. Purchases from controlling parties amounted to £4,703 (June 2017: £13,800).

At the 30 June 2018 the company owes S K Wallace £43,708 (30 June 2017 : £43,708) and J R Davies £43,260 (30 June 2017: £43,260). The controlling party owed £151,528 June 2018: £151,528) in related party trade debtors at the balance sheet dates.

15. ULTIMATE PARENT AND CONTROLLING PARTY

The immediate parent undertaking is Halewood International Limited, a company registered in England.

The ultimate parent company and parent undertaking of the largest and smallest group which includes the company is Halewood Wines and Spirits PLC), a company registered in England. Group accounts 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. POST BALANCE SHEET EVENTS

On 29 November 2018 the company completed on a re-financing agreement with Investec Bank. The new facility has a minimum term of 60 months from commencement date.