Company registration number: 06811729

REDEMPTION BREWING COMPANY LIMITED

FINANCIAL STATEMENTS

31 December 2021

REDEMPTION BREWING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	5	240		360	
Tangible assets	6	306,132		305,683	
			306,372		306,043
Current assets					
Stocks		58,228		31,432	
Debtors	7	98,534		70,916	
Cash at bank and in hand		471		1,712	
		157,233		104,060	
Creditors: amounts falling due within one year	8	(412,710)		(296,573)	
Net current liabilities			(255,477)		(192,513)
Total assets less current liabilities			50,895		113,530
Creditors: amounts falling due after more than one year	9		(555,465)		(551,960)
Net liabilities			(504,570)		(438,430)
Capital and reserves					
Called up share capital			193,171		193,171
Share premium account			317,867		317,867
Profit and loss account			(1,015,608)		(949,468)
Shareholders deficit			(504,570)		(438,430)

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;

- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 29 September 2022 , and are signed on behalf of the board by:

Mr A Moffat

Director

Company registration number: 06811729

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Redemption Brewing Company Limited, Unit 16 Compass West Industrial Estate, 33 West Road, Tottenham, London, N17 0XL.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

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

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Short leasehold property	-	10 % straight line
Plant and machinery	-	15 % reducing balance
Fittings fixtures and equipment	-	15 % reducing balance
Leased plant	-	10 % straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates .

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 7 (2020: 8).

5. Intangible assets

	Other intangible assets	Total
	£	**£**
Cost		
At 1 January 2021 and 31 December 2021	1,200	1,200
Amortisation		
At 1 January 2021	840	840
Charge for the year	120	120
At 31 December 2021	960	960
Carrying amount		
At 31 December 2021	240	240
At 31 December 2020	360	360

6. Tangible assets

	Short leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Leased plant	**Total**
	£	£	£	£	£	**£**
Cost						
At 1 January 2021	256,170	251,468	33,514	16,160	267,956	825,268
Additions	-	195,543	1,254	-	37,700	234,497
Disposals	-	(74,819)	-	-	(267,956)	(342,775)
At 31 December 2021	256,170	372,192	34,768	16,160	37,700	716,990
Depreciation						
At 1 January 2021	151,366	164,988	16,542	16,160	170,530	519,586
Charge for the year	24,217	31,081	2,734	-	3,770	61,802
Disposals	-	-	-	-	(170,530)	(170,530)
At 31 December 2021	175,583	196,069	19,276	16,160	3,770	410,858
Carrying amount						
At 31 December 2021	80,587	176,123	15,492	-	33,930	306,132
At 31 December 2020	104,804	86,480	16,972	-	97,426	305,682

7. Debtors

	2021	2020
	£	£
Trade debtors	61,063	51,207
Other debtors	37,471	19,709
	98,534	70,916

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	28,549	49,196
Trade creditors	208,537	118,619
Social security and other taxes	49,621	32,296
Other short term loans	27,309	30,985
Other creditors	126,003	96,462
	412,710	296,573

9. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Directors' loans	189,067	224,069
Other creditors	366,398	327,891
	555,465	551,960

10. Controlling party

The company is under the joint control of two shareholders, Mr A Moffat and Mrs S Rigby.

11. Going Concern

The COVID-19 pandemic developed rapidly in 2020. Part of the government's action to contain the virus had been to order businesses where people gather socially, to close temporarily and this adversely affected the company's trade. The main impact of COVID-19 on the company has been a decline in sales revenue which the company is still building back up again. The company received numerous government loans during the period of 2020 and subsequently in 2021 some additional discretionary grant funding has been received and some equipment re-financed. Loan creditors including the company's directors continue to support the company. The directors having considered the above and made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assume the company will continue in operation for the foreseeable future.