

**WATKINS DRINKS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Watkins Drinks Limited
Unaudited Financial Statements
For The Year Ended 31 December 2020

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Watkins Drinks Limited
Balance Sheet
As at 31 December 2020

Registered number: 11278378

		31 December 2020		31 December 2019	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	3		49,939		-
Tangible Assets	4		19,919		2,207
			69,858		2,207
CURRENT ASSETS					
Stocks	5	204,281		72,619	
Debtors	6	240,202		83,633	
Cash at bank and in hand		655,326		151,303	
		1,099,809		307,555	
Creditors: Amounts Falling Due Within One Year	7	(343,016)		(198,895)	
NET CURRENT ASSETS (LIABILITIES)			756,793		108,660
TOTAL ASSETS LESS CURRENT LIABILITIES			826,651		110,867
Creditors: Amounts Falling Due After More Than One Year	8	(881,721)			-
NET (LIABILITIES)/ASSETS			(55,070)		110,867
CAPITAL AND RESERVES					
Called up share capital	9	228		220	
Share premium account		680,995		522,450	
Fair Value Reserve	11	91,132		-	
Profit and Loss Account		(827,425)		(411,803)	
SHAREHOLDERS' FUNDS			(55,070)		110,867

Watkins Drinks Limited
Balance Sheet (continued)
As at 31 December 2020

For the year ending 31 December 2020 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 in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Nicholas Watkins

Director

07/09/2021

The notes on pages 3 to 7 form part of these financial statements.

Watkins Drinks Limited
Notes to the Financial Statements
For The Year Ended 31 December 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Going Concern Disclosure

The directors have considered the impact of Covid-19 on the company and its operations. There was some adverse impact on the operations and revenue of the company, during which time the government assistance such as the deferral of tax payments has been utilised. The company has continued to grow since the year end. The directors have considered a period of at least 12 months from the date of approval of these financial statements and therefore they have prepared the financial statements on a going concern basis.

1.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

1.4. Intangible Fixed Assets and Amortisation - Other Intangible

Other intangible assets are branding and website. It is amortised to profit and loss account over its estimated economic life of 3 years.

1.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	20% straight line
Fixtures & Fittings	20% straight line

1.6. Leasing and Hire Purchase Contracts

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.7. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

Watkins Drinks Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

1.8. Financial Instruments

Financial assets carried at amortised cost

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Financial assets carried at amortised cost are classified as loans and receivables and comprise trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Financial liabilities are initially recognised at fair value adjusted for any attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

1.9. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Watkins Drinks Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

1.11. Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

1.12. Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 3 (2019: 3)

3. Intangible Assets

	Other £
Cost	
As at 1 January 2020	-
Additions	65,145
As at 31 December 2020	<u>65,145</u>
Amortisation	
As at 1 January 2020	-
Provided during the period	15,206
As at 31 December 2020	<u>15,206</u>
Net Book Value	
As at 31 December 2020	<u>49,939</u>
As at 1 January 2020	<u>-</u>

4. Tangible Assets

	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost			
As at 1 January 2020	2,373	-	2,373
Additions	5,788	13,769	19,557
As at 31 December 2020	<u>8,161</u>	<u>13,769</u>	<u>21,930</u>
Depreciation			
As at 1 January 2020	166	-	166
Provided during the period	764	1,081	1,845
As at 31 December 2020	<u>930</u>	<u>1,081</u>	<u>2,011</u>
Net Book Value			
As at 31 December 2020	<u>7,231</u>	<u>12,688</u>	<u>19,919</u>
As at 1 January 2020	<u>2,207</u>	<u>-</u>	<u>2,207</u>

Watkins Drinks Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

5. Stocks

	31 December 2020	31 December 2019
	£	£
Stock - finished goods	204,281	72,619
	<u>204,281</u>	<u>72,619</u>

6. Debtors

	31 December 2020	31 December 2019
	£	£
Due within one year		
Trade debtors	64,508	36,746
Other debtors	175,694	46,887
	<u>240,202</u>	<u>83,633</u>

7. Creditors: Amounts Falling Due Within One Year

	31 December 2020	31 December 2019
	£	£
Trade creditors	194,763	68,481
Bank loans and overdrafts	2,500	-
Other taxes and social security	433	-
Other creditors	104,398	100,000
Accruals and deferred income	40,922	30,414
	<u>343,016</u>	<u>198,895</u>

Included within other creditors are convertible loans issued in the sum of £100,000 on 1 August 2019. The loans are convertible to ordinary shares or redeemable by 30 September 2021. The convertible loans have been included at fair value and a fair value adjustment made.

8. Creditors: Amounts Falling Due After More Than One Year

	31 December 2020	31 December 2019
	£	£
Bank loans	47,500	-
Other creditors	834,221	-
	<u>881,721</u>	<u>-</u>

Included within other creditors are convertible loans issued in the sum of £900,000 on 2 July 2020. The loans are convertible to ordinary shares or redeemable by 2 July 2023. The convertible loans have been included at fair value and a fair value adjustment made.

Watkins Drinks Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

9. Share Capital

	31 December 2020	31 December 2019
Allotted, Called up and fully paid	228	220

The company issued on 31 January 2020 and 3 February 2020 a total of 8,323 £0.001 Ordinary shares for £19.05 per share.

10. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are £33,000 (2019 £Nil).

11. Reserves

	Fair Value Reserve
	£
Movements in fair value reserve	91,132
As at 31 December 2020	91,132

The fair value reserve represents adjustments in respect of the convertible loan notes.

12. General Information

Watkins Drinks Limited is a private company, limited by shares, incorporated in England & Wales, registered number 11278378 . The registered office is Timsons Business Centre, Bath Road, Kettering, Northants, NN16 8NQ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.