

TWO DRIFTERS DISTILLERY LTD
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

TWO DRIFTERS DISTILLERY LTD
REGISTERED NUMBER: 11357680

BALANCE SHEET
AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	62,241	65,681
		<u>62,241</u>	<u>65,681</u>
Current assets			
Stocks		100,811	17,080
Debtors: amounts falling due after more than one year	5	6,000	4,000
Debtors: amounts falling due within one year	5	84,729	201,273
Cash at bank and in hand		209	2,271
		<u>191,749</u>	<u>224,624</u>
Creditors: amounts falling due within one year	6	(141,727)	(431,749)
Net current assets/(liabilities)		<u>50,022</u>	<u>(207,125)</u>
Total assets less current liabilities		<u>112,263</u>	<u>(141,444)</u>
Creditors: amounts falling due after more than one year	7	(71,193)	(98,581)
Net assets/(liabilities)		<u><u>41,070</u></u>	<u><u>(240,025)</u></u>
Capital and reserves			
Called up share capital	10	2,957	2,770
Share premium account		447,485	244,383
Profit and loss account		(409,372)	(487,178)
		<u><u>41,070</u></u>	<u><u>(240,025)</u></u>

TWO DRIFTERS DISTILLERY LTD
REGISTERED NUMBER:11357680

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2023

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2023.

R Wakeham
Director

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

1. General information

Two Drifters Distillery Ltd is a private company, limited by shares, domiciled in England. The registered office is Courtfield Old Ebford Lane, Ebford, Exeter, England, EX3 0QB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors confirm that, having considered their expectations and intentions for the next twelve months, and the availability of working capital, the company is a going concern.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Depreciation is provided on the following basis:

Long-term leasehold property	-	20%	straight line
Plant and machinery	-	25%	reducing balance
Office equipment	-	25%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2022 - 5).

TWO DRIFTERS DISTILLERY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

4. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Office equipment £	Total £
Cost or valuation				
At 1 June 2022	8,990	114,545	2,377	125,912
Additions	11,309	5,227	1,418	17,954
At 31 May 2023	20,299	119,772	3,795	143,866
Depreciation				
At 1 June 2022	4,795	54,286	1,150	60,231
Charge for the year on owned assets	4,060	16,386	948	21,394
At 31 May 2023	8,855	70,672	2,098	81,625
Net book value				
At 31 May 2023	11,444	49,100	1,697	62,241
At 31 May 2022	4,195	60,259	1,227	65,681

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Plant and machinery	33,462	44,616
	<u>33,462</u>	<u>44,616</u>

5. Debtors

	2023 £	2022 £
Due after more than one year		
Other debtors	6,000	4,000
	<u>6,000</u>	<u>4,000</u>

TWO DRIFTERS DISTILLERY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

5. Debtors (continued)

	2023 £	2022 £
Due within one year		
Trade debtors	65,866	28,552
Other debtors	15,280	172,721
Prepayments and accrued income	3,583	-
	<u>84,729</u>	<u>201,273</u>

6. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	27,319	3,854
Bank loans	19,515	19,444
Trade creditors	29,153	18,079
Other taxation and social security	3,159	457
Obligations under finance lease and hire purchase contracts	7,873	6,952
Other creditors	50,072	378,525
Accruals and deferred income	4,636	4,438
	<u>141,727</u>	<u>431,749</u>

The following liabilities were secured:

	2023 £	2022 £
Bank Loans	16,667	16,667
Obligations under finance lease and hire purchase contracts	7,873	6,952
	<u>24,540</u>	<u>23,619</u>

Details of security provided:

The bank loan is secured by a debenture from the company in the bank's favour.

The hire purchase loans are secured on the assets to which they relate.

TWO DRIFTERS DISTILLERY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

7. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	71,193	90,708
Net obligations under finance leases and hire purchase contracts	-	7,873
	<u>71,193</u>	<u>98,581</u>

The following liabilities were secured:

	2023	2022
	£	£
Bank loans	65,278	81,944
Net obligations under finance leases and hire purchase contracts	-	7,873
	<u>65,278</u>	<u>89,817</u>

Details of security provided:

The bank loan is secured by a debenture from the company in the bank's favour.

The hire purchase loans are secured on the assets to which they relate.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2023	2022
	£	£
Repayable by instalments	-	15,278
	<u>-</u>	<u>15,278</u>

TWO DRIFTERS DISTILLERY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

8. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	19,515	19,444
	<u>19,515</u>	<u>19,444</u>
Amounts falling due 1-2 years		
Bank loans	19,587	19,515
	<u>19,587</u>	<u>19,515</u>
Amounts falling due 2-5 years		
Bank loans	51,606	55,915
	<u>51,606</u>	<u>55,915</u>
Amounts falling due after more than 5 years		
Bank loans	-	15,278
	<u>-</u>	<u>15,278</u>
	<u>90,708</u>	<u>110,152</u>

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	7,873	6,952
Between 1-5 years	-	7,873
	<u>7,873</u>	<u>14,825</u>

TWO DRIFTERS DISTILLERY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

10. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
295,729 (2022 - 276,957) Ordinary shares of £0.01 each	<u>2,957</u>	<u>2,770</u>

Between 13 January 2023 and 24 February 2023 18,772 ordinary shares of £0.01 each were allotted. The total consideration for these shares was £203,291.

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independent administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £902 (2022 - £733). Contributions totalling £275 (2022 - £133) were payable to the fund at the balance sheet date and are included in creditors.

12. Commitments under operating leases

At 31 May 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	18,365	13,250
Later than 1 year and not later than 5 years	11,740	3,313
	<u>30,105</u>	<u>16,563</u>

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.