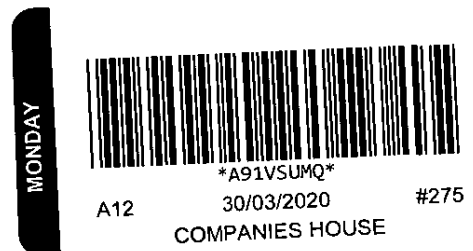


# CASTLE RUM COMPANY LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 43 week period ended 29 June 2019



# Annual report and financial statements 2019

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## Company information

Directors	A W Robinson S A Hainsworth A Burns (appointed 14 March 2019)
Registered office	The Sovereign Distillery Huyton Business Park Wilson Road Huyton Liverpool L36 6AD
Registered number	11556789
Bankers	National Westminster Bank Plc 22 Castle Street Liverpool L2 0UP

## Directors' report

The directors present their report and financial statements of the company for the 43 week period ended 29 June 2019.

### PRINCIPAL ACTIVITIES

The company was incorporated on 4 May 2018, and the principal activity is that of a public house and bar.

### RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £1k. No dividends were declared or paid during the period.

### DIRECTORS

The present 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 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 accounts.

### 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 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
- 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.

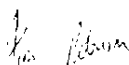
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

### APPROVAL

The director's report was approved by the Board on 24 March 2020 and authorised for issue and signed on its behalf by:



A Robinson  
Director

## Profit and loss account

For the 43 week period ended 29 June 2019

	Note	52 weeks ended 29 June 2019 £'000
Turnover	4	89
Cost of Sales		(23)
		<hr/>
Gross profit		66
Administrative expenses		(63)
		<hr/>
Operating loss	5	(3)
Interest payable	7	(4)
		<hr/>
Loss before taxation		(1)
Tax on loss		-
		<hr/>
Loss after taxation		(1)
		<hr/> <hr/>

The company's activities derive from continuing operations.

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

## Statement of comprehensive income

For the 43 week period ended 29 June 2019

	52 weeks ended 29 June 2019 £'000
Total comprehensive expense for the period	(1)
	<hr/> <hr/>

The notes on pages 6 to 11 form an integral part of the financial statements.

# Balance sheet

As at 29 June 2019

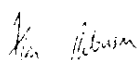
	Note	52 weeks ended 29 June 2019 £'000
<b>Fixed assets</b>		
Tangible assets	8	60
		<hr/>
		60
<b>Current assets</b>		
Stock	9	4
Debtors	10	40
Cash at bank and in hand		29
		<hr/>
		73
<b>Creditors: amounts falling due within one year</b>	11	(134)
		<hr/>
<b>Net current liabilities</b>		(61)
		<hr/>
<b>Total assets less current liabilities</b>		(1)
<b>Net liabilities</b>		(1)
		<hr/>
<b>Capital and reserves</b>		
Called-up share capital	12	-
Profit and loss account		(1)
		<hr/>
<b>Shareholder's funds</b>		(1)
		<hr/>

The notes on pages 6 to 11 form an integral part of the financial statements.

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006. For the period ended 29 June 2019, 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 29 June 2019 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.

The financial statements of Castle Rum Company Limited, registered number 11556789, were approved by the board of directors on 24 March 2020 and signed on its behalf by:



A Robinson  
Director

## Statement of changes in equity

For the 43 week period ended 29 June 2019

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Loss for the period and total comprehensive expense	-	(1)	(1)
<b>Balance as at 29 June 2019</b>	<u>-</u>	<u>(1)</u>	<u>(1)</u>

The notes on pages 6 to 11 form an integral part of the financial statements.

# Notes to the financial statements

For the 43 week period ended 29 June 2019

## 1. ACCOUNTING POLICIES

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

### General information and basis of preparation

Castle Rum Company Limited is a private limited company limited by shares and incorporated in England. 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 Director's report on page 2. 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 Castle Rum Company Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the available exemptions to not disclose:

- A statement of cash flows;
- Certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated; and
- Key management personnel compensation in total.

### Going concern

The company meets its day-to-day working capital requirements through loans from its parent undertaking and fellow subsidiary companies. 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.

The directors are in receipt of a letter of support from its ultimate parent company, Halewood Wines and Spirits PLC. This letter of support confirms that the loans from group undertakings, and intercompany trade balances will not need to be repaid and the company will continue to receive support to meet its forecasted requirements for a minimum of 12 months from the date the accounts are signed provided there are no material changes to the company's or the parent company's trading position in comparison to that currently forecast.

After making enquiries and taking account of the letter of support described below, 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 comprises sales to customers less discounts and allowances and is net of value added tax. Turnover is recognised upon purchase of goods, which is when the risks and rewards are considered to be transferred to the customer.

### 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, using a first in, first out (FIFO) basis. Net realisable value is based on estimated selling price less further expected costs of disposal.

### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.



## Notes to the financial statements (continued)

For the 43 week period ended 29 June 2019

### 1. ACCOUNTING POLICIES (continued)

#### Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation, less any provision for impairment. Depreciation is provided evenly on the cost 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 recoverable amounts. Any such write down would be charged to operating profit. No depreciation is provided on freehold land. The principal annual rates used for other fixed assets are:

Property	2% on cost
Furniture & Fittings	10%-25% on cost
Land is not depreciated	

#### 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 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 Group'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.

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.

#### Financial instruments

The company 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.

# Notes to the financial statements (continued)

For the 43 week period ended 29 June 2019

## 1. ACCOUNTING POLICIES (continued)

### Financial instruments (continued)

- *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.

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

## 2. STATEMENT OF COMPLIANCE

The financial statements of Castle Rum 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 JUDGMENTS 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. TURNOVER

All turnover arises in the United Kingdom and is derived from the principal activity. Turnover by origin and destination are not materially different.

## 5. OPERATING LOSS

Operating loss is stated after charging:

**43 weeks  
ended  
29 June  
2019  
£'000**

Depreciation of tangible fixed asset - owned

2

## Notes to the financial statements (continued)

For the 43 week period ended 29 June 2019

### 6. EMPLOYEES

Staff costs during the period were as follows:

	43 weeks ended 29 June 2019 £'000
Wages and salaries	40
Social security costs	3
Pensions	-
	<hr/>
	43
	<hr/>

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

	2019
Administration	6
	<hr/>

No directors were employed by the company during the period.

### 7. INTEREST PAYABLE

	44 weeks ended 29 June 2019 £'000
Interest due to fellow subsidiary undertakings	4
	<hr/>

# Notes to the financial statements (continued)

For the 43 week period ended 29 June 2019

## 8. TANGIBLE FIXED ASSETS

	Land & buildings £'000	Furniture & Fittings £'000	Total £'000
<b>Cost</b>			
On incorporation on 6 September 2018	-	-	-
Additions	52	10	62
	<hr/>	<hr/>	<hr/>
<b>At 29 June 2019</b>	52	10	62
	<hr/>	<hr/>	<hr/>
<b>Accumulated Depreciation</b>			
On incorporation on 6 September 2018	-	-	-
Charge for the period	1	1	2
	<hr/>	<hr/>	<hr/>
<b>At 29 June 2019</b>	1	1	2
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
<b>At 29 June 2019</b>	51	9	60
	<hr/>	<hr/>	<hr/>
<b>At 6 September 2018</b>	-	-	-
	<hr/>	<hr/>	<hr/>

## 9. STOCK

	29 June 2019 £'000
Finished goods	4
	<hr/>
	4
	<hr/>

## 10. DEBTORS

	29 June 2019 £'000
Prepayments	40
	<hr/>
	40
	<hr/>

## Notes to the financial statements (continued)

For the 43 week period ended 29 June 2019

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 June 2019 £'000
Trade creditors	40
Accruals and deferred income	16
Amounts due to fellow subsidiary undertakings	78
	<hr/> 134
	<hr/>

All amounts are due within one year. Amounts due from subsidiaries are repayable on demand with interest charged 2.5-4%.

### 12. CALLED-UP SHARE CAPITAL

	29 June 2019
Allotted, called-up and fully paid	
1 ordinary shares of £1 each	1
	<hr/>
	<hr/>

### 13. 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 as permitted by FRS 102 Section 33.

### 14. ULTIMATE PARENT AND CONTROLLING PARTY

The immediate parent company is Halewood International Limited a company registered in England, by virtue of its 85% ownership of the share capital of the company and attached voting rights.

The ultimate parent company is Halewood Wines and Spirits PLC, a company registered in England.

The smallest and largest group in which these financial statements are consolidated is headed by Halewood Wines and Spirits PLC. The consolidated 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.

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 holding a majority share of the issued share capital and attached voting rights.