

# CASTLE RUM COMPANY LTD

## ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 week period ended 26 June 2021

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## **Annual report and financial statements 2021**

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## Company information

Directors	S A Hainsworth J H T Kennedy (Appointed 31 January 2022) A Burns (Resigned 20 August 2020)
Registered office	1 <sup>st</sup> Floor Tennyson House, Great Portland Street, London, England, W1W 5PA
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 52 week period ended 26 June 2021.

### PRINCIPAL ACTIVITIES

The principal activity of the company is that of a public house and bar.

### RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £ 48 k (2020: £42k loss). No dividends were declared or paid during the period (2020: £nil).

### 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 20 June 2022 and signed on its behalf by:



J H T Kennedy  
Director

## Profit and loss account

For the 52 week period ended 26 June 2021

	Note	52 weeks ended 26 June 2021 £'000	52 weeks ended 27 June 2020 £'000
Turnover	4	254	189
Cost of Sales		(85)	(57)
<b>Gross profit</b>		<b>169</b>	<b>132</b>
Administrative expenses		(149)	(194)
Other operating income		29	25
<b>Operating profit/(loss)</b>	5	<b>49</b>	<b>(37)</b>
Interest payable	7	(3)	(5)
<b>Profit/ (Loss) before taxation</b>		<b>47</b>	<b>(42)</b>
Taxation credit on profit	8	1	-
<b>Profit/ (Loss) after taxation</b>		<b>48</b>	<b>(42)</b>

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 52 week period ended 26 June 2021

	52 weeks ended 26 June 2021 £'000	52 weeks ended 27 June 2020 £'000
Total comprehensive income/ (expense) for the period	48	(42)

The notes on pages 6 to 13 form an integral part of the financial statements.

**Balance sheet**

For the 52 week period ended 26 June 2021

	Note	52 weeks ended 26 June 2021 £'000	52 weeks ended 27 June 2020 £'000
<b>Fixed assets</b>			
Tangible assets	9	58	69
Amounts due from subsidiary undertakings*		113	-
		<u>171</u>	<u>69</u>
<b>Current assets</b>			
Stock	10	-	5
Debtors	11	21	65
Cash at bank and in hand		13	4
		<u>34</u>	<u>74</u>
<b>Creditors: amounts falling due within one year**</b>	12	(47)	(54)
<b>Net current liabilities</b>		<u>(13)</u>	<u>20</u>
<b>Total assets less current liabilities</b>		<u>158</u>	<u>89</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(153)</u>	<u>(132)</u>
<b>Net assets/(liabilities)</b>		<u>5</u>	<u>(43)</u>
<b>Capital and reserves</b>			
Called-up share capital	14	-	-
Profit and loss account		5	(43)
<b>Shareholder's funds</b>		<u>5</u>	<u>(43)</u>

The notes on pages 6 to 13 form an integral part of the financial statements

\* The prior period balance has been reclassified from current to fixed assets. Please see note 11 for further details.

\*\* The prior period balance has been reclassified from "Creditors: amounts falling due within one year" to "Creditors: amounts falling due after more than one year". Please refer to note 13.

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 26 June 2021, 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 26 June 2021 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 accounts.

The financial statements of Castle Rum Company Ltd, registered number 11556789, were approved by the board of directors on 20 June 2022 and signed on its behalf by:

  
J H T Kennedy  
Director

# Statement of changes in equity

For the 52 week period ended 26 June 2021

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 29 June 2019	-	(1)	(1)
Loss for the period and total comprehensive expense	-	(42)	(42)
<b>Balance as at 27 June 2020</b>	-	(43)	(43)
Profit for the period and total comprehensive income	-	48	48
<b>Balance as at 26 June 2021</b>	-	5	5

The notes on pages 6 to 13 form an integral part of the financial statements.

# Notes to the financial statements

For the 52 week period ended 26 June 2021

## 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 Ltd 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 Ltd 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.

In carrying out their duties in respect of going concern, the directors have carried out a review of the company's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. These have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the uncertainties brought about by the current economic environment and remaining impact of Covid 19. Management regularly perform sensitivity analysis on forecasts, and have identified no specific risks relating to breach of bank covenants.

The company has been monitoring, assessing and reacting to the issues that COVID-19 has created for the employees, business operations and financial performance. Procedures have been put in place during the financial year to ensure the safety of employees including implementation of extensive cleaning regimes, temperature check stations, availability of hand sanitiser, and signs reminding employees and visitors of the need to wash hands regularly and maintain social distancing.



# Notes to the financial statements (continued)

For the 52 week period ended 26 June 2021

## 1. ACCOUNTING POLICIES (continued)

### 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.

### 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:

Plant & Machinery	5% to 25% straight line on cost
Furniture & Fittings	10%-25% on straight line on cost

### Taxation

Current 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised where the recoverability against future taxable profits is considered to be more likely than not.

### 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.

## Notes to the financial statements (continued)

For the 52 week period ended 26 June 2021

### 1. ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

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.

- *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 Ltd 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 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.

# Notes to the financial statements (continued)

For the 52 week period ended 26 June 2021

## 5. OPERATING Profit/ (Loss)

Operating profit/(loss) is stated after charging/(crediting):	<b>52 weeks ended 26 June 2021 £'000</b>	<b>52 weeks ended 27 June 2020 £'000</b>
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Depreciation of tangible fixed assets - owned

9

11

Other operating income

(29)

(25)

Other operating income relates to UK government grants received under the Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund, introduced during the COVID-19 pandemic.

## 6. EMPLOYEES

Staff costs during the period were as follows:

	<b>52 weeks ended 26 June 2021 £'000</b>	<b>52 weeks ended 27 June 2020 £'000</b>
Wages and salaries	59	86
Social security costs	6	8
Pension	<u>1</u>	<u>-</u>
	<b>66</b>	<b>94</b>

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

	<b>2021 Number</b>	<b>2020 Number</b>
Administration and selling	1	3

No directors were employed by the company during the period (2020: nil)

## 7. INTEREST PAYABLE

	<b>52 weeks ended 26 June 2021 £'000</b>	<b>52 weeks ended 27 June 2020 £'000</b>
Interest due to fellow subsidiary undertakings	3	3
Bank interest	-	2
	<u>3</u>	<u>5</u>

## Notes to the financial statements (continued)

For the 52 week period ended 26 June 2021

### 8. TAX (CREDIT)/CHARGE ON PROFIT

	52 weeks ended 26 June 2021 £'000	52 weeks ended 27 June 2020 £'000
<b>Current tax on profit</b>		
UK corporation tax	-	-
Adjustments in respect of prior years	-	(2)
<b>Total current tax</b>	-	(2)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1)	(1)
Adjustment in respect of prior years	-	7
Effect of change in tax rates	-	-
<b>Total deferred tax charge</b>	(1)	6
<b>Total tax (credit)/charge on profit/(loss)</b>	(1)	4

The standard rate of tax applied to reported profit is 19% (2020: 19%).

The UK corporation tax rate for the year ended 30 June 2021 is 19% which has been effective since 1 April 2017. In the Spring Budget 2021, the UK Government announced an increase in the corporation tax rate to 25% which will apply from 1 April 2023. The legislation increasing the tax rate to 25% rate was enacted on 10 June 2021. Deferred taxes on 30 June 2021

have been measured using this enacted tax rate and reflected in these financial statements.

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:

	52 weeks ended 26 June 2021 £'000	52 weeks ended 27 June 2020 £'000
Profit/(Loss) before tax	47	(42)
Tax on (loss) at standard UK corporation tax rate of 19% (2020: 19%)	9	(8)
Effects of:		
- Expenses not deductible for tax purposes	1	2
- Effects of group relief	(11)	6
<b>Total tax (CREDIT)/charge for the period</b>	(1)	-

# Notes to the financial statements (continued)

For the 52 week period ended 26 June 2021

## 9. TANGIBLE FIXED ASSETS

	Plant & Machinery £'000	Furniture & Fittings £'000	Total £'000
<b>Cost</b>			
At 27 June 2020	62	20	82
Disposals		(2)	(2)
<b>At 26 June 2021</b>	<u>62</u>	<u>18</u>	<u>80</u>
<b>Accumulated Depreciation</b>			
At 27 June 2020	7	6	13
Charge for the period	-	9	9
<b>At 26 June 2021</b>	<u>7</u>	<u>15</u>	<u>22</u>
<b>Net book value</b>			
<b>At 26 June 2021</b>	<u>55</u>	<u>3</u>	<u>58</u>
<b>At 27 June 2020</b>	<u>55</u>	<u>14</u>	<u>69</u>

**Notes to the financial statements (continued)**

For the 52 week period ended 26 June 2021

**10. STOCK**

	26 June 2021 £'000	27 June 2020 £'000
Finished goods	-	5
	<u>-</u>	<u>5</u>
	<u>-</u>	<u>5</u>

**11. DEBTORS**

	26 June 2021 £'000	27 June 2020 £'000
Amounts due from fellow subsidiary undertakings	9	16
Deferred tax asset	1	-
Prepayments	4	37
Other debtors	7	12
Amounts due from subsidiary undertakings*	<u>113</u>	<u>-</u>
	<u>134</u>	<u>65</u>

\*Amounts due from subsidiary undertakings have been reclassified from Current Assets to Fixed Assets.

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

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	26 June 2021 £'000	27 June 2020 £'000
Trade creditors	-	40
Corporate tax	-	-
Other taxation and social security	19	2
Accruals and deferred income	-	12
Other creditors	<u>28</u>	<u>-</u>
	<u>47</u>	<u>54</u>

All amounts are due within one year. Amounts due to subsidiaries are repayable on demand with interest charged at 4%.

## Notes to the financial statements (continued)

For the 52 week period ended 26 June 2021

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	26 June 2021 £'000	27 June 2020 £'000
Amounts due to fellow subsidiary undertakings*	153	132

\*The prior period balance has been reclassified from 'Creditors: amounts falling due within one year' to 'Creditors: amounts falling due after more than one year'

### 14. CALLED-UP SHARE CAPITAL

	26 June 2021 £	27 June 2020 £
Allotted, called-up and fully paid		
1 ordinary shares of £1 each	1	1

### 15. 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.

### 16. ULTIMATE PARENT AND CONTROLLING PARTY

The immediate parent company is Halewood Artisanal Spirits UK Limited, a company registered in England.

The ultimate parent company and parent undertaking of the largest and smallest group which includes the company is of Halewood Artisanal Spirits PLC, a company registered in England. Group accounts for of Halewood Artisanal Spirits PLC are available to the public 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.

### 17. POST BALANCE SHEET EVENTS

No material post balance sheet events noted.