

Company Registration No. NI604784 (Northern Ireland)

BELFAST DISTILLERY COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

PAGES FOR FILING WITH REGISTRAR

BELFAST DISTILLERY COMPANY LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		41,485		48,859
Tangible assets	5		1,894,629		1,896,940
Investments	6		86		86
			<u>1,936,200</u>		<u>1,945,885</u>
Current assets					
Stocks		2,691,601		3,504,411	
Debtors	7	4,267,254		4,553,082	
Cash at bank and in hand		<u>1,840,658</u>		<u>377,737</u>	
		8,799,513		8,435,230	
Creditors: amounts falling due within one year	8	<u>(3,814,192)</u>		<u>(2,182,995)</u>	
Net current assets			<u>4,985,321</u>		<u>6,252,235</u>
Total assets less current liabilities			<u><u>6,921,521</u></u>		<u><u>8,198,120</u></u>

BELFAST DISTILLERY COMPANY LIMITED**BALANCE SHEET (CONTINUED)****AS AT 31 OCTOBER 2020**

		2020		2019	
	Notes	£	£	as restated	£
Capital and reserves					
Called up share capital	9	10,800,000		10,800,000	
Profit and loss reserves		(3,878,479)		(2,601,880)	
Total equity		<u>6,921,521</u>		<u>8,198,120</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

The financial statements were approved by the board of directors and authorised for issue on 30 July 2021 and are signed on its behalf by:

Mr W Jr. Bocra
Director

Company Registration No. NI604784

BELFAST DISTILLERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

Company information

Belfast Distillery Company Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is Innovation Factory, Forthriver Business Park, 385 Springfield Road, Belfast, Co Antrim, BT12 7DG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

These financial statements have been prepared on a going concern basis, notwithstanding the fact that the company incurred losses of £1,276,599 during the year. The nature of the company is such that significant capital expenditure and costs are required in early years to establish and promote the company before it is in a position to generate income. Projections indicate that the company will generate significant profits once it is fully operational.

The company is supported by investment from its parent company and, through this investment, the company has adequate resources to meet its obligations and continue its development for at least the next twelve months from signing these financial statements.

Thus the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

BELFAST DISTILLERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies (Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Branding	10 Years
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Alterations to leasehold property	2% per annum straight line
Assets under construction	nil% per annum straight line
Plant and machinery	5%-20% per annum straight line
Fixtures and fittings	10% per annum straight line

The company does not depreciate assets under construction as the company believes the assets retain their value until they are in use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

BELFAST DISTILLERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies (Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

BELFAST DISTILLERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

BELFAST DISTILLERY COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 OCTOBER 2020****2 Exceptional items**

	2020	2019
	£	£
Creditors written off	-	(291,659)
Settlement payments	115,848	-
	<u>115,848</u>	<u>(291,659)</u>

During the year the company made settlement payments totalling £115,848 in relation to historic disputes.

In the prior year the company entered into negotiations with a number of creditors to reduce the liability owed by the company. Following those negotiations, balances that are no longer payable were written off and credited to the profit and loss account.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	<u>3</u>	<u>2</u>

4 Intangible fixed assets

	Branding
	£
Cost	
At 1 November 2019 and 31 October 2020	<u>73,761</u>
Amortisation and impairment	
At 1 November 2019	24,902
Amortisation charged for the year	<u>7,374</u>
At 31 October 2020	<u>32,276</u>
Carrying amount	
At 31 October 2020	<u>41,485</u>
At 31 October 2019	<u>48,859</u>

BELFAST DISTILLERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

5 Tangible fixed assets

	Alterations to leasehold property £	Assets under construction £	Plant and machinery £	Fixtures and fittings £	Total £
Cost					
At 1 November 2019	1,592,308	-	416,136	18,593	2,027,037
Additions	-	12,246	-	-	12,246
Transfers	(1,592,308)	1,929,944	(337,636)	-	-
At 31 October 2020	-	1,942,190	78,500	18,593	2,039,283
Depreciation and impairment					
At 1 November 2019	110,710	-	12,500	6,887	130,097
Depreciation charged in the year	-	-	12,700	1,857	14,557
Transfers	(110,710)	110,710	-	-	-
At 31 October 2020	-	110,710	25,200	8,744	144,654
Carrying amount					
At 31 October 2020	-	1,831,480	53,300	9,849	1,894,629
At 31 October 2019	1,481,598	-	403,636	11,706	1,896,940

6 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	86	86

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 November 2019 & 31 October 2020	86
Carrying amount	
At 31 October 2020	86
At 31 October 2019	86

BELFAST DISTILLERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

7 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	11,326	-
Other debtors	4,255,928	4,553,082
	<u>4,267,254</u>	<u>4,553,082</u>

8 Creditors: amounts falling due within one year

	2020	as restated 2019
	£	£
Trade creditors	770,201	702,602
Taxation and social security	198,535	6,927
Other creditors	1,507,099	372,901
Accruals and deferred income	1,338,357	1,100,565
	<u>3,814,192</u>	<u>2,182,995</u>

9 Called up share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary A shares paid of £1 each	10,800,000	645,130,156	10,800,000	6,126,017
Ordinary A shares unpaid of £1 each	-	434,869,844	-	4,673,983
	<u>10,800,000</u>	<u>1,080,000,000</u>	<u>10,800,000</u>	<u>10,800,000</u>

During the prior year the company cancelled 10,446,922 ordinary shares at £0.01 par value, being the shares issued prior to the allotment of shares on 6 February 2018.

The company then converted the remaining 1,080,000,000 ordinary shares at £0.01 par value to 10,800,000 ordinary shares at £1.00 par value. These shares were then reclassified into ordinary A shares.

10 Events after the reporting date

Following the year end, the company entered into an agreement with a creditor where it was agreed that the creditor would waive a balance of £277,500 that was owed by the company. This transaction will be reported in the financial statements of the next accounting period.

BELFAST DISTILLERY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

11 Related party transactions

At the beginning of the year the shareholders of the company, Belfast Investors LLC, owed the company £4,348,698 in unpaid shares. At the year end the shareholders of the company, Belfast Investors LLC, were owed £1,220,630 from the company.

Exemption

The directors have taken advantage of the exemption from disclosing related party transactions with other wholly owned group companies, in accordance with FRS 102 Section 1A The Financial Reporting Standard applicable in the UK and Republic of Ireland.

No other transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 1A.

12 Prior period adjustment

During the year, prior year adjustments were made to the Company's financial statements to appropriately reflect management fees of £124,102 that were previously excluded from the accounts. This resulted in an increase in administration expenses of £124,102 and an increase in other creditors of £124,102 for the financial year ended 31 October 2019.

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 31 Oct 2019 £
Creditors due within one year			
Other creditors	(2,051,966)	(124,102)	(2,176,068)
	<u> </u>	<u> </u>	<u> </u>
Note 8 excluding taxation and social security.			
Capital and reserves			
Profit and loss	(2,477,778)	(124,102)	(2,601,880)
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
Period ended 31 October 2019			
Administrative expenses	(752,694)	(124,102)	(876,796)
Loss for the financial period	(534,733)	(124,102)	(658,835)
	<u> </u>	<u> </u>	<u> </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.