Stiffy's Shots Limited

Registered number: SC220158

Directors' report and unaudited financial statements

For the year ended 28 February 2019

STIFFY'S SHOTS LIMITED

COMPANY INFORMATION

Directors	G M Coull A J Richardson C L Valente
Registered number	SC220158
Registered office	7c Bandeath Industrial Estate Throsk Stirling FK7 7NP
Accountants	Mazars LLP Chartered Accountants Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Bankers	The Royal Bank of Scotland plc 23/25 Rosslyn Street Kirkcaldy KY1 3HW

STIFFY'S SHOTS LIMITED

CONTENTS

The following pages do not form part of the statutory financial statements:

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019

The directors present their report and the unaudited financial statements for the year ended 28 February 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the unaudited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare unaudited financial statements for each financial year. Under that law the directors have elected to prepare the unaudited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the unaudited 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 unaudited financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the unaudited 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 to enable them to ensure that the unaudited 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.

Principal activity

The principal activity of the company during the year was the production and wholesale of alcoholic beverages. The company was also a parent company throughout the whole of the current and prior year.

Results and dividends

The profit for the year, after taxation, amounted to £1,093,682 (2018 - £104,247).

No dividends were declared or paid in the current or prior period.

Directors

The directors who served during the year were:

G M Coull
A J Richardson
C L Valente

Post balance sheet events

There have been no significant events affecting the company since the year end.

Small companies note

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Carlo Valente
Carlo Valente (May 3, 2019)

C L Valente
Director

Date: May 3, 2019

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF STIFFY'S SHOTS LIMITED FOR THE YEAR ENDED 28 FEBRUARY 2019

In accordance with our engagement letter dated 17th April 2019 and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of the company for the year ended 28 February 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

Respective responsibilities of directors and accountants

You have acknowledged on the Balance Sheet for the year ended 28 February 2019 your duty to ensure that the company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and profit. You consider that the company is exempt from the statutory audit requirement for the year.

This report is made to the Board of Directors of Stiffy's Shots Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Board of Directors, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept nor assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

We have not been instructed to carry out an audit or review of the financial statements of Stiffy's Shots Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Mazars LLP
Mazars LLP (May 7, 2019)

Mazars LLP

Chartered Accountants

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: May 7, 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	2019 £	2018 £
Gin sales		8,533,025	1,117,033
Other sales		660,321	916,967
Cost of sales		(6,446,236)	(1,515,898)
Gross profit		2,747,110	518,102
Administrative expenses		(1,517,810)	(434,511)
Other operating income		28,752	44,890
Operating profit		1,258,052	128,481
Interest payable and expenses		(6,694)	(9,403)
Tax on profit	4	(157,676)	(14,831)
Profit for the financial year		1,093,682	104,247

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 7 to 17 form part of these financial statements.

STIFFY'S SHOTS LIMITED
REGISTERED NUMBER: SC220158

BALANCE SHEET
AS AT 28 FEBRUARY 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	5		62,609		41,776
Tangible assets	6		4,041		2,007
Investments	7		19		19
			66,669		43,802
Current assets					
Stocks		904,387		268,494	
Debtors: amounts falling due within one year	8	1,889,211		974,155	
Cash at bank and in hand		478,649		255	
		3,272,247		1,242,904	
Creditors: amounts falling due within one year	9	(1,804,226)		(832,528)	
Net current assets			1,468,021		410,376
Creditors: amounts falling due after more than one year	10		(34,217)		(47,387)
Net assets			1,500,473		406,791
Capital and reserves					
Called up share capital	12		108,035		108,035
Share premium account	13		155,969		155,969
Profit and loss account	13		1,236,469		142,787
			1,500,473		406,791

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2019

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 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 were approved and authorised for issue by the board and were signed on its behalf by:

Graham M Coull (May 3, 2019)	Andrew Richardson (May 3, 2019)
G M Coull	**A J Richardson**
Director	Director
Date: May 3, 2019	Date: May 3, 2019

The notes on pages 7 to 17 form part of these financial statements.

1. General information

Stiffy's Shots Limited is a private company limited by shares, incorporated in Scotland, SC220158. Its registered office is Unit 7C, Bandeath Industrial Estate, Throsk, Stirling, FK7 7NP.

The principal activity of the company is the production and wholesale of alcoholic beverages.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

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 pound.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

2.3 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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. Accounting policies (continued)

2.5 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 the Statement of Comprehensive Income 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.

2.6 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.7 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, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	-	20%
Office equipment	-	33%

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 the Statement of Comprehensive Income.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Intellectual property	-	10%
Development costs	-	33%

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 outbasis.

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. Accounting policies (continued)

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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.15 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

3. Employees

The average monthly number of employees, including directors, during the year was 15 (2018 - 5).

4. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	185,873	22,680
Adjustments in respect of previous periods	(28,197)	(7,849)
Total current tax	157,676	14,831

5. Intangible assets

	Intellectual property £	Developmen t costs £	Total £
Cost			
At 1 March 2018	40,000	205,806	245,806
Additions	-	45,840	45,840
At 28 February 2019	40,000	251,646	291,646
Amortisation			
At 1 March 2018	28,000	176,030	204,030
Charge for the year	4,000	21,007	25,007
At 28 February 2019	32,000	197,037	229,037
Net book value			
At 28 February 2019	8,000	54,609	62,609
At 28 February 2018	12,000	29,776	41,776

6. Tangible fixed assets

	Office equipment £	Fixtures & fittings £	Total £
Cost			
At 1 March 2018	11,596	21,747	33,343
Additions	692	2,179	2,871
At 28 February 2019	12,288	23,926	36,214
Depreciation			
At 1 March 2018	11,596	19,740	31,336
Charge for the year on owned assets	171	666	837
At 28 February 2019	11,767	20,406	32,173
Net book value			
At 28 February 2019	521	3,520	4,041
At 28 February 2018	-	2,007	2,007

7. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 March 2018 and 28 February 2019	19

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Country of incorporation	Class of shares	Principal activity	Holding
Traditional Scottish Ales Limited	Scotland	Ordinary	Alcoholic beverage manufacturer /wholesaler.	95%

The aggregate of the share capital and reserves as at 28 February 2019 and the loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Traditional Scottish Ales Limited	(645,858)	(218,796)

8. Debtors

	2019 £	2018 £
Trade debtors	1,645,495	448,367
Amounts owed by group undertakings (note 17)	208,447	486,822
Other debtors (note 16)	31,930	14,409
Prepayments and accrued income	3,339	16,708
Corporation tax repayable	-	7,849
	1,889,211	974,155

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	-	496
Bank loans (note 11)	11,303	10,113
Trade creditors	218,918	282,109
Corporation tax	180,356	22,680
Other taxation and social security	232,152	68,803
Invoice finance creditor	993,862	348,889
Other creditors (note 16)	13,864	12,138
Accruals and deferred income	153,771	87,300
	1,804,226	832,528

The balance due to the invoice finance creditor is secured over the assets of the company.

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

	2019 £	2018 £
Bank loans (note 11)	34,217	47,387

The bank loan is secured by certain personal guarantees and by a bond and floating charge over the assets of the company and its subsidiary company, Traditional Scottish Ales Limited.

11. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	11,303	10,113
Amounts falling due 1-2 years		
Bank loans	34,217	47,387
	45,520	57,500

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
11,063 (2018 - 11,063) Ordinary shares of £0.01 each	111	111
107,924 (2018 - 107,924) Deferred shares of £1.00 each	107,924	107,924
	108,035	108,035

13. Reserves

Share premium account

Share premium includes consideration received on allotment of share capital above par value.

Profit & loss account

The profit and loss account includes all current and prior period retained profits, losses and equity distributions.

14. Pension commitments

The company operates a defined benefit contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,055 (2018: £843). There were no contributions payable to the fund at the balance sheet date.

15. Commitments under operating leases

At 28 February 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	50,658	4,764
Later than 1 year and not later than 5 years	79,948	-
	130,606	4,764

16. Transactions with directors

Included within other debtors (2018: other creditors) are amounts due from / (due to) directors as shown below. The amounts are unsecured, interest free and have no fixed terms of repayment.

	2019 £	2018 £
C Valente	17,636	(1,320)
G Coull	5,194	(9,312)
	22,830	(10,632)

17. Related party transactions

During the year the company made sales of £299,589 (2018: £533,740) and purchases of £484,335 (2018: £325,121) from the subsidiary undertaking, Traditional Scottish Ales Limited. These transactions were carried out at arms length and on normal commercial terms.

The amount due from Traditional Scottish Ales Limited at 28 February 2019 is £208,447 (2018: £486,322) which is included in amounts owed by group undertakings. This amount is unsecured, interest free and has no fixed terms of repayment.

18. Controlling party

In the directors' opinion there is no ultimate controlling party.