

Salcombe Distilling Company Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 29 February 2020

Salcombe Distilling Company Ltd

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Salcombe Distilling Company Ltd

Company Information

Directors	Mr Howard Lawrence Davies Mrs Charlotte Ellen Davies Mr Charles Angus Hamilton Lugsdin Mr Nicholas Simon Marshall
Registered office	The Boathouse 28 Island Street Salcombe Devon TQ8 8DP
Accountants	Wessex Commercial Solutions Limited Yeovil Innovation Centre Barracks Close Yeovil BA22 8RN

Salcombe Distilling Company Ltd
(Registration number: 09140632)
Balance Sheet as at 29 February 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>4</u>	61,001	37,851
Tangible assets	<u>5</u>	224,928	229,656
Investments	<u>6</u>	100	100
		<u>286,029</u>	<u>267,607</u>
Current assets			
Stocks	<u>7</u>	197,764	177,555
Debtors	<u>8</u>	245,159	99,825
Cash at bank and in hand		<u>1,128,073</u>	<u>156,154</u>
		1,570,996	433,534
Creditors: Amounts falling due within one year	<u>9</u>	<u>(322,761)</u>	<u>(140,378)</u>
Net current assets		<u>1,248,235</u>	<u>293,156</u>
Total assets less current liabilities		1,534,264	560,763
Creditors: Amounts falling due after more than one year	<u>9</u>	<u>(19,647)</u>	<u>-</u>
Net assets		<u><u>1,514,617</u></u>	<u><u>560,763</u></u>
Capital and reserves			
Called up share capital	<u>11</u>	22,527	20,969
Share premium reserve		1,814,122	569,288
Profit and loss account		<u>(322,032)</u>	<u>(29,494)</u>
Total equity		<u><u>1,514,617</u></u>	<u><u>560,763</u></u>

Salcombe Distilling Company Ltd
(Registration number: 09140632)
Balance Sheet as at 29 February 2020

For the financial year ending 29 February 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 7 July 2020 and signed on its behalf by:

.....
Mr Howard Lawrence Davies
Director

.....
Mr Charles Angus Hamilton Lugsdin
Director

Salcombe Distilling Company Ltd

Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Boathouse
28 Island Street
Salcombe
Devon
TQ8 8DP

These financial statements were authorised for issue by the Board on 7 July 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in Sterling, which is the functional currency of the company. All monetary amounts are rounded to the nearest £.

Salcombe Distilling Company Ltd

Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

Judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Salcombe Distilling Company Ltd

Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and Machinery	Straight line 7-20%
Office Equipment	Straight line 20-33%
Leasehold improvements	Straight line 7-20%

Intangible assets

Intangible assets acquired are initially recognised at cost and are subsequently reviewed for impairment on an annual basis. Any impairment loss is included in the profit or loss.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development costs	33% straight line
Intellectual Property	10% - 33% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Salcombe Distilling Company Ltd

Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

3 Loss before tax

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	49,536	43,937
Amortisation expense	16,731	9,000

4 Intangible assets

	Intellectual Property £	Development costs £	Total £
Cost or valuation			
At 1 March 2019	36,436	10,799	47,235
Additions acquired separately	830	39,051	39,881
At 29 February 2020	37,266	49,850	87,116
Amortisation			
At 1 March 2019	7,977	1,407	9,384
Amortisation charge	767	15,964	16,731
At 29 February 2020	8,744	17,371	26,115
Carrying amount			
At 29 February 2020	28,522	32,479	61,001
At 28 February 2019	28,459	9,392	37,851

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Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

5 Tangible assets

	Leasehold improvements £	Office equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 March 2019	104,198	43,016	171,849	319,063
Additions	18,388	6,533	20,537	45,458
Disposals	-	-	(1,625)	(1,625)
At 29 February 2020	122,586	49,549	190,761	362,896
Depreciation				
At 1 March 2019	30,910	17,944	40,553	89,407
Charge for the year	18,741	12,053	18,742	49,536
Eliminated on disposal	-	-	(975)	(975)
At 29 February 2020	49,651	29,997	58,320	137,968
Carrying amount				
At 29 February 2020	72,935	19,552	132,441	224,928
At 28 February 2019	73,288	25,072	131,296	229,656

Salcombe Distilling Company Ltd

Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

6 Investments

	2020 £	2019 £
Investments in subsidiaries	<u>100</u>	<u>100</u>
Subsidiaries		£
Cost or valuation		
At 1 March 2019		<u>100</u>
Carrying amount		
At 29 February 2020		<u>100</u>
At 28 February 2019		<u>100</u>

7 Stocks

	2020 £	2019 £
Stock	<u>197,764</u>	<u>177,555</u>

8 Debtors

	2020 £	2019 £
Trade debtors	74,795	71,897
Prepayments	160,295	27,928
Other debtors	<u>10,069</u>	<u>-</u>
	<u>245,159</u>	<u>99,825</u>

Salcombe Distilling Company Ltd

Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

9 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	159,316	818
Trade creditors		81,707	45,438
Taxation and social security		29,883	21,546
Accruals and deferred income		47,009	70,599
Other creditors		4,846	1,977
		<u>322,761</u>	<u>140,378</u>

10 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Hire purchase contracts	6,242	-
Other borrowings	13,405	-
	<u>19,647</u>	<u>-</u>

	2020 £	2019 £
Current loans and borrowings		
Bank overdrafts	793	-
Hire purchase contracts	1,659	818
Other borrowings	156,864	-
	<u>159,316</u>	<u>818</u>

Salcombe Distilling Company Ltd

Notes to the Unaudited Financial Statements for the Year Ended 29 February 2020

11 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary A of £0.01 each	671,250	6,712.50	671,250	6,712.50
Ordinary B of £0.01 each	1,425,680	14,256.80	1,425,480	14,254.80
Ordinary C of £0.01 each	155,799	1,557.99	200	2.00
	2,252,729	22,527	2,096,930	20,969

Barracks Close

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.