Company Registration No. 04516253 (England and Wales)

PICTISH BREWING CO LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

PAGES FOR FILING WITH REGISTRAR

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PICTISH BREWING CO LIMITED

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PICTISH BREWING CO LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	5		**17,090**		21,671
Current assets					
Stocks	6	**7,979**		6,352	
Debtors	7	**449,023**		414,144	
Cash at bank and in hand		**40,599**		59,528	
		497,601		480,024	
Creditors: amounts falling due within one year	8	**(48,969)**		(47,210)	
Net current assets			**448,632**		432,814
Total assets less current liabilities			**465,722**		454,485
Creditors: amounts falling due after more than one year	9		**-**		(3,538)
Provisions for liabilities	10		**(3,247)**		(3,684)
Net assets			**462,475**		447,263
Capital and reserves					
Called up share capital	11		**100**		100
Profit and loss reserves			**462,375**		447,163
Total equity			**462,475**		447,263

PICTISH BREWING CO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

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 March 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 3 December 2020 and are signed on its behalf by:

Mr P R Wesley
Director

Company Registration No. 04516253

PICTISH BREWING CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Pictish Brewing Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 Thor Drive, Whitworth, Rochdale, Lancashire, OL12 8EU.

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.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The directors are confident that the company has sufficient resources to meet its liabilities as they fall due for at least one year from the date of approval of the 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.

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.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which does not exceed 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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:

Leasehold improvements	25% reducing balance
Plant and machinery	25% reducing balance
Office equipment	25% reducing balance
Motor vehicles	25% reducing balance

1 Accounting policies **(Continued)**

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 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 replacement cost and 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.

1.7 Cash at bank and in hand

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.

1.8 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.

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.

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 Accounting policies **(Continued)**

1.9 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.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Leases

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

2 Employees

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

	2020	**2019**
	Number	**Number**
Total	**2**	2

3 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	**18,614**	18,813
Adjustments in respect of prior periods	**1**	-
Total current tax	**18,615**	18,813
Deferred tax		
Origination and reversal of timing differences	**(437)**	(104)
Total tax charge	**18,178**	18,709

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2019 and 31 March 2020	**100,000**
Amortisation and impairment	
At 1 April 2019 and 31 March 2020	**100,000**
Carrying amount	
At 31 March 2020	**-**
At 31 March 2019	-

5 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2019	**3,000**	**23,882**	**3,592**	**20,885**	**51,359**
Additions	**-**	**900**	**-**	**-**	**900**
At 31 March 2020	**3,000**	**24,782**	**3,592**	**20,885**	**52,259**
Depreciation and impairment					
At 1 April 2019	**1,243**	**16,294**	**2,769**	**9,382**	**29,688**
Depreciation charged in the year	**440**	**1,956**	**209**	**2,876**	**5,481**
At 31 March 2020	**1,683**	**18,250**	**2,978**	**12,258**	**35,169**
Carrying amount					
At 31 March 2020	**1,317**	**6,532**	**614**	**8,627**	**17,090**
At 31 March 2019	1,757	7,588	823	11,503	21,671

6 Stocks

	2020	2019
	£	£
Work in progress	**2,791**	2,792
Finished goods and goods for resale	**5,188**	3,560
	7,979	6,352

7 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	**18,542**	17,752
Amounts owed by group undertakings	**429,043**	394,716
Prepayments and accrued income	**1,438**	1,676
	449,023	414,144

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Obligations under finance leases	**3,538**	3,320
Trade creditors	**7,658**	9,616
Corporation tax	**18,614**	18,813
Other taxation and social security	**5,781**	6,251
Directors' loan accounts	**1,111**	23
Other creditors	**7,714**	4,796
Accruals and deferred income	**4,553**	4,391
	48,969	47,210

The obligation under finance lease and hire purchase contracts is secured against the asset to which it relates.

9 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Obligations under finance leases	**-**	3,538

The obligation under finance lease and hire purchase contracts is secured against the asset to which it relates.

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
Balances:	£	£
Accelerated capital allowances	**3,247**	3,684

	2020
Movements in the year:	£
Liability at 1 April 2019	**3,684**
Credit to profit or loss	**(437)**
Liability at 31 March 2020	**3,247**

11 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	**100**	100

12 Related party transactions

During the year, the company made loans to Lorsho Limited, a related party by virtue of common shareholding, to the sum of £34,327 (2019: £35,673). At the year end date, Lorsho Limited owed the company £429,043 (2019: £ 394,716). No interest has been charged on this loan which is repayable on demand and classified in debtors due within one year.

13 Parent company

The company's ultimate parent undertaking and controlling party is Lorsho Limited, a company registered in England and Wales. The registered office and its principal place of business is 2 Thor Drive, Whitworth, Rochdale, Lancashire, OL12 8EU.