

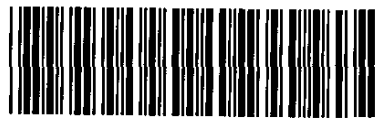
COMPANY REGISTRATION NO: 02606824

CHALIE RICHARDS & COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 week period ended 30 June 2018

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Annual report and financial statements 2018

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Company information

Directors	A Robinson S Hainsworth
Registered office	The Sovereign Distillery Huyton Business Park Wilson Road Huyton Liverpool L36 6AD
Registered number	02606824
Bankers	National Westminster Bank Plc 22 Castle Street Liverpool L2 0UP

Directors' report

The directors present their report and financial statements for the 52 week period ended 30 June 2018.

Principal activities

The principal activity of the company is to trade as a wholesaler of alcoholic and non-alcoholic beverages.]

Results and dividends

The loss for the period after taxation amounted to £1,082k (2017: £228k). The directors are unable to propose the payment of a dividend (2017: same).

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 explained further in note 1 to the accounts.

Directors

The present directors of the company who served throughout the period and thereafter together with movements during the period are set out on page 1.

Business review and future developments

Chalie Richard & Company Limited is a wholly owned subsidiary of Halewood Wines and Spirits plc.

The directors are satisfied with the performance of the company during the start-up period bearing in mind the current wider economic environment. Turnover was £1,257k (2017: £16k). The operating loss was £1,028k (2017: £228k).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Future outlook

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. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the foreseeable future.

Principal risks and uncertainties

The company operates in a highly competitive market and as such is subject to threat of competition launching new products in the markets in which the company operates.

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.

Directors' report (continued)

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.

Post balance sheet events

On 29 November 2018 the company completed on a re-financing agreement with Investec Bank. The new facility has a minimum term of 60 months from commencement date.

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 report of the directors was approved by the Board on 26 March 2019 and authorised for issue and signed on its behalf by:



A Robinson
Director

Profit and loss account

For the 52 weeks ended 30 June 2018

	Note	52 weeks ended 30 June 2018 £'000	53 weeks ended 1 July 2017 £'000
Turnover	4	1,257	16
Cost of goods		(1,127)	(16)
Gross profit		130	-
Administrative expenses		(1,158)	(228)
Operating (loss)	5	(1,028)	(228)
Interest payable		(54)	-
Loss before taxation		(1,082)	(228)
Tax on loss	7	-	-
Loss after taxation		(1,082)	(228)

The company's activities derive from continuing operations.

Statement of comprehensive income

For the 52 weeks ended 30 June 2018

The company has no recognised gains and losses other than those included in the results above.

	52 weeks ended 30 June 2018 £'000	53 weeks ended 1 July 2017 £'000
Total comprehensive expense for the year	(1,082)	(228)

The notes on pages 7 to 14 form an integral part of the financial statements.

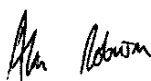
Balance sheet

As at 30 June 2018

	Note	30 June 2018 £'000	1 July 2017 £'000
Fixed assets			
Intangible assets	8	946	-
Tangible assets	9	339	331
Investments	10	364	606
		<hr/>	<hr/>
		1,649	937
Current assets			
Stock	11	775	8
Debtors	12	595	103
Cash at bank and in hand		143	3
		<hr/>	<hr/>
		1,516	114
Creditors: amounts falling due within one year	13	(832)	(95)
		<hr/>	<hr/>
Net current assets		681	19
		<hr/>	<hr/>
Total assets less current liabilities		2,330	956
Creditors : amounts falling due after more than one year	14	(3,640)	(1,184)
		<hr/>	<hr/>
Net liabilities		(1,310)	(228)
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called-up share capital	15	-	-
Profit and loss account		(1,310)	(228)
		<hr/>	<hr/>
Shareholder's deficit		(1,310)	(228)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 14 form an integral part of the financial statements.

For the 52 week period ended 30 June 2018, 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 52 week period ended 30 June 2018 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 the accounts. The financial statements of Charlie Richards & Company Limited, registered number 02606824, were approved by the board of directors on 26 March 2019 and signed on its behalf by:



A Robinson
Director

Statement of changes in equity

For the 52 weeks ended 30 June 2018

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 25 June 2016	-	-	-
Loss for the year and total other comprehensive expense	-	(228)	(228)
	<hr/>	<hr/>	<hr/>
Balance as at 1 July 2017	-	(228)	(228)
Loss for the year and total other comprehensive expense	-	(1,082)	(1,082)
	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2018	-	(1,310)	(1,310)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 14 form an integral part of the financial statements.

Notes to the financial statements

For the 52 weeks ended 30 June 2018

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding period.

General information and basis of preparation

Chalie Richards & Company Limited is a private limited company limited by shares and is 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. 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 Chalie Richards & Company Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going concern

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.

As disclosed in note 17, the company is party to group borrowing facilities under which the various UK companies in the group have cross-guaranteed the borrowings. On 29 November 2018 the Group completed on a re-financing agreement with Investec Bank. The new facility has a minimum term of 60 months from commencement date. In carrying out their duties in respect of going concern, the directors have carried out a review of the Group'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.

After making enquiries, the directors have a reasonable expectation that the company has access to adequate resources and believe that the company is well placed to manage its business risks successfully, despite the current uncertain economic outlook, and any impact on consumer spending, and is expected to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Investments

Fixed asset Investments in subsidiaries are stated at cost less provision for impairment.

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:

Property	2% on cost
Plant, machinery & IT equipment	10%-25% on cost
Land is not depreciated	

Turnover

Turnover relates to invoiced sales of product in the period stated net of VAT.

Notes to the financial statements (continued)

For the 52 weeks ended 30 June 2018

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax, including UK corporation tax and foreign 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

FRS 102 exemption

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of available exemptions to not disclose:

- (a) A statement of cash flows;
- (b) 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
- (c) Key management personnel compensation in total.

Intangible assets

Intangible assets are held at cost less provision for impairment. These are amortised over the estimated economic life of the products; this is currently estimated at 5 years.

2. STATEMENT OF COMPLIANCE

The financial statements of Halewood International Properties Limited 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.

Notes to the financial statements (continued)

For the 52 weeks ended 30 June 2018

3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTY

In the application of the Group'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.

5. OPERATING LOSS

Operating loss is stated after charging:

	52 weeks ended 30 June 2018 £'000	53 weeks ended 1 July 2017 £'000
Operating lease rentals - premises	2	2
Amortisation	62	-
Depreciation	71	-

6. EMPLOYEES

Staff costs:	52 weeks ended June 2018 £'000	53 weeks ended 1 July 2017 £'000
Wages and salaries	543	138
Social security costs	60	14
Pensions - defined contribution scheme	29	1
	<hr/>	<hr/>
	632	153
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 Number	2017 Number
Administration & selling	9	8
	<hr/> <hr/>	<hr/> <hr/>

No directors were employed by the company during 2018 (2017: same).

Notes to the financial statements (continued)

For the 52 weeks ended 30 June 2018

7. TAX ON LOSS

	52 weeks ended 30 June 2018 £'000	53 weeks ended 1 July 2017 £'000
Current tax on loss/profit		
UK corporation tax	-	-
Adjustments in respect of prior periods	-	-
Total Current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior period	-	-
Effects of changes in tax rates	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax (charge)/credit on loss/profit	<u>-</u>	<u>-</u>

The standard rate of tax applied to reported profit is 19% (2017: 19.75%). Finance Act 2016, which was enacted in September 2016, included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020. During the period, the tax rate reduced from 19.75% to 19%. The deferred tax balances have been restated to the lower rate of 17% 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 30 June 2018 £'000	53 weeks ended 1 July 2017 £'000
Loss before taxation	(1,082)	(228)
Tax on loss at standard UK corporation tax rate of 19% (2017: 19.75%)	(205)	45
Effects of:		
- Expenses not deductible for tax purposes	5	-
- Tax losses carried forward	129	(45)
- Change in unrecognised deferred tax assets	71	-
Total tax charge for the period	<u>-</u>	<u>-</u>

The deferred tax asset not recognised in relation to losses carried forward amounts to £103k (2017: £38k).

Notes to the financial statements (continued)

For the 52 weeks ended 30 June 2018

8. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Purchased Brands £'000	Total £'000
Cost			
At 1 July 2017	-	-	-
Additions	308	700	1,008
30 June 2018	<u>308</u>	<u>700</u>	<u>1,008</u>
Amortisation			
At 1 July 2017	-	-	-
Charge for the period	15	47	62
At 30 June 2018	<u>15</u>	<u>47</u>	<u>62</u>
Net book value			
At 30 June 2018	<u>293</u>	<u>653</u>	<u>946</u>
At 1 July 2017	<u>-</u>	<u>-</u>	<u>-</u>

Goodwill has been recognised on the hive up of the trade & assets of Barwell & Jones Limited on 31st October 2017.

Notes to the financial statements (continued)

For the 52 weeks ended 30 June 2018

9. TANGIBLE FIXED ASSETS

	Plant & machinery and IT equipment £'000	Total £'000
Cost		
At 1 July 2017	147	147
Additions	264	264
At 30 June 2018	<u>411</u>	<u>411</u>
Depreciation		
At 1 July 2017	1	1
Depreciation	71	71
At 30 June 2018	<u>72</u>	<u>72</u>
Net book value		
At 30 June 2018	<u>339</u>	<u>339</u>
At 1 July 2017	<u>331</u>	<u>331</u>

10. INVESTMENT IN SUBSIDIARY UNDERTAKING

	£'000
Cost	
At 1 July 2017	606
Disposals	(242)
At 30 June 2018	<u>364</u>
Net book value	
At 30 June 2018	<u>364</u>
At 1 July 2017	<u>606</u>

During the previous year the company acquired 100% of the ordinary share capital of Barwell & Jones Limited (CRN 06781279), a company registered in England & Wales and whose principle activity is the wholesale of wine, beer spirits and other alcoholic beverages. The registered office is The Sovereign Distillery, Wilson Road, Huyton, L36 6AD.

On 31st October 2017 the trade & assets of Barwell & Jones Limited were hived up into the company. On this date, a transfer was made from investments to goodwill. See note 8.

Notes to the financial statements (continued)

For the 52 weeks ended 30 June 2018

11. STOCKS

	30 June 2018	1 July 2017
	£'000	£'000
Goods held for resale	775	8

12. DEBTORS

	30 June 2018	25 June 2016
	£'000	£'000
Trade Debtors	413	4
Prepayments and other debtors	78	79
Other taxation	14	20
Amounts due from fellow group subsidiaries	90	-
	<u>595</u>	<u>103</u>

The intercompany loan has no fixed term of repayment. Interest is received monthly at a commercial rate above the Bank of England base rate.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2018	1 July 2017
	£'000	£'000
Trade creditors	789	75
Accruals	43	20
	<u>832</u>	<u>95</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 June 2018	1 July 2017
	£'000	£'000
Amounts due to related party	3,640	1,184

In respect of amounts due to related party, confirmation has been obtained that the balances will not be recalled for repayment in the foreseeable future. Interest is paid monthly at a commercial rate above the Bank of England base rate.

Notes to the financial statements (continued)

For the 52 weeks ended 30 June 2018

15. CALLED-UP SHARE CAPITAL

	30 June 2018 £'000	1 July 2017 £'000
Allotted, called-up and fully paid 2 ordinary shares of £1 each	-	-

16. FINANCIAL COMMITMENTS

The company has commitments under non-cancellable operating leases as set out below:

	30 June 2018 £'000	1 July 2017 £'000
Land & buildings operating leases which are due as follows:		
Within one year	126	126
Between one and five years	504	504
After five years	477	603
	<u>1,107</u>	<u>1,260</u>

17. CONTINGENT LIABILITIES

The company is party to group borrowings facilities under which the various UK companies in the group have unlimited cross-guaranteed in respect of the others' bank borrowings. At 30 June 2018 these borrowings amounted to £13,558K (2017: £29,915K).

18. PENSION ARRANGEMENTS

The company operates a defined contribution schemes for which the pension cost charge for the period amounted to £27K (2017: £1k), which represented contributions to these schemes. The assets of this scheme are held separately from those of the company in independently administered funds. At 30 June 2018 the amount outstanding to the pension scheme was £1K (2017: £0K).

19. 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.

20. ULTIMATE PARENT AND CONTROLLING PARTY

The immediate parent and ultimate parent undertaking is Halewood Wines and Spirits PLC, a company registered in England.

The largest and smallest group which includes the company is Halewood Wines and Spirits PLC. Group financial statements for Halewood Wines and Spirits PLC are available to the public on payment of the appropriate fee, from Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.

The directors consider that the ultimate controlling party of the company is the Estate of J E Halewood, owing to its overall control of the parent company.

21. POST BALANCE SHEET EVENTS

On 29 November 2018 the company completed on a re-financing agreement with Investec Bank. The new facility has a minimum term of 60 months from commencement date.