

Company Registration No. 02848445 (England and Wales)

LBW DRINKS LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

LBW DRINKS LTD.

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LBW DRINKS LTD.**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

		2021	2020
	Notes	£	£
Fixed assets			
Property, plant and equipment	4	2,303,429	2,379,525
Current assets			
Inventories		2,299,778	2,191,824
Trade and other receivables	5	845,105	633,228
Cash at bank and in hand		205,116	698,485
		<u>3,349,999</u>	<u>3,523,537</u>
Current liabilities	6	<u>(882,435)</u>	<u>(1,046,863)</u>
Net current assets		<u>2,467,564</u>	<u>2,476,674</u>
Total assets less current liabilities		<u>4,770,993</u>	<u>4,856,199</u>
Non-current liabilities	7	(1,551,933)	(2,009,858)
Provisions for liabilities	12	(63,241)	(44,214)
Net assets		<u><u>3,155,819</u></u>	<u><u>2,802,127</u></u>
Equity			
Called up share capital		10,100	10,100
Other reserves	9	82,230	82,230
Retained earnings		<u>3,063,489</u>	<u>2,709,797</u>
Total equity		<u><u>3,155,819</u></u>	<u><u>2,802,127</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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 15 September 2022 and are signed on its behalf by:

Mr A R Beasley
Director

Company Registration No. 02848445

LBW DRINKS LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

LBW Drinks Ltd. is a private company limited by shares incorporated in England and Wales. The registered office is The Lyme Bay Winery & Highland Wineries, Shute, Axminster, Devon, EX13 7PW.

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 pound.

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue 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 is 5 years.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

LBW DRINKS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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:

Buildings Freehold	2% per annum on a straight line basis
Land and buildings Leasehold	10% per annum on a straight line basis
Plant and machinery	10% per annum on a straight line basis
Office Furniture and Equipment	10% - 33% per annum on a straight line basis
Vines and Vineyard infrastructure	10% per annum on a straight line basis
Computer Equipment	33% per annum on a straight line basis

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 Impairment of non-current 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.

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.

1.7 Inventories

Inventories 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 inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

LBW DRINKS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 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 statement of financial position 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 trade and other receivables 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.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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 trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

LBW DRINKS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 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.

1.11 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 income statement 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 income statement, 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.

1.12 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. 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

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

LBW DRINKS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.16 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.

2 Employees

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

	2021 Number	2020 Number
Total	28	32

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	70,000
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	70,000
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

LBW DRINKS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2021	2,255,257	1,467,920	3,723,177
Additions	943	95,083	96,026
	<u>2,256,200</u>	<u>1,563,003</u>	<u>3,819,203</u>
At 31 December 2021	2,256,200	1,563,003	3,819,203
Depreciation and impairment			
At 1 January 2021	388,078	955,574	1,343,652
Depreciation charged in the year	51,529	120,593	172,122
	<u>439,607</u>	<u>1,076,167</u>	<u>1,515,774</u>
At 31 December 2021	439,607	1,076,167	1,515,774
Carrying amount			
At 31 December 2021	<u>1,816,593</u>	<u>486,836</u>	<u>2,303,429</u>
At 31 December 2020	<u>1,867,179</u>	<u>512,346</u>	<u>2,379,525</u>

5 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	762,220	536,630
Corporation tax recoverable	-	16,951
Amounts owed by group undertakings	9,895	9,453
Other receivables	72,990	70,194
	<u>845,105</u>	<u>633,228</u>

6 Current liabilities

	2021 £	2020 £
Trade payables	438,871	468,466
Corporation tax	164	-
Other taxation and social security	348,746	345,234
Other payables	94,654	233,163
	<u>882,435</u>	<u>1,046,863</u>

LBW DRINKS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Non-current liabilities

	2021 £	2020 £
Amounts owed to group undertakings	1,551,933	2,009,858

8 Provisions for liabilities

	2021 £	2020 £
Deferred tax liabilities	63,241	44,214

9 Other reserves

Other reserves represents the capital contribution on the measurement of the loan from the parent company at amortised cost. This reserve is non distributable. The interest rate charged on intercompany loans is market rate.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Colin Hamilton and the auditor was Ward Williams.

11 Financial commitments, guarantees and contingent liabilities

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £20,000 (2020 - £20,000). A guarantee is in place dated 23 June 2006 with a security of £20,000.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
	82,993	8,023

Additionally, the company are contracted to purchase grapes and vines to the value of £215,750 (2020: £215,750).

LBW DRINKS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Related party transactions

Remuneration of key management personnel

	2021	2020
	£	£
Aggregate compensation	96,171	91,426
	<u> </u>	<u> </u>

Transactions with related parties

The company has taken advantage of the exemption conferred by FRS102 section 33 from the requirement to disclose transactions with group companies on the grounds that consolidated financial are prepared by the ultimate parent company.

14 Parent company

The immediate parent company is Ball Capital Investments Limited, a company registered in England and Wales.

The ultimate parent company is F Ball Enterprises Limited, a company registered in England and Wales.

The consolidated financial statements of F Ball Enterprises Limited can be obtained from Churnetside Business Park, Station Road, Cheddleton, Staffs, ST13 7RS.

The ultimate controlling party is Mr G. W. Ball, sole director and majority shareholder of F Ball Enterprises Limited.

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.