

**Strategic Report, Report of the Directors and
Audited Financial Statements
for the Year Ended 31 May 2019
for
Radnor Hills Mineral Water Company Ltd**

Caerwyn Jones
Chartered Accountants and Statutory Auditor
Emstrey House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

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for the year ended 31 May 2019**

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Radnor Hills Mineral Water Company Ltd

**Company Information
for the year ended 31 May 2019**

DIRECTORS:

W W Watkins
J G Rogers-Coltman
Mrs P S Butler

REGISTERED OFFICE:

Heartsease
Knighton
Powys
LD7 1LU

REGISTERED NUMBER:

03258542 (England and Wales)

AUDITORS:

Caerwyn Jones
Chartered Accountants and Statutory Auditor
Emstrey House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

BANKERS:

Barclays Bank Plc
44-46 Castle Street
Shrewsbury
Shropshire
SY1 2BU

**Strategic Report
for the year ended 31 May 2019**

The directors present their strategic report for the year ended 31 May 2019.

REVIEW OF BUSINESS

The company's principal activity is the manufacture and wholesaling of mineral water and soft drink products together with hotel management.

The directors report on another highly satisfactory year with the company reporting a 14.11% increase in turnover on the previous financial year. This growth has again been achieved through the sale of more branded products and helped by favourable weather conditions in the first quarter (June-August). A significant improvement in gross margin of 3.93% has also been reported and this has happened as a result of bringing distribution and warehousing back on to site, and increased automation of the production process.

This year, ongoing significant investment in our plant and manufacturing facilities continues in order to support the company's growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors continue to assess risks which could impact on the company's longer term performance, manage and mitigate where necessary. It is the conclusion of the directors that a continued strategy of risk assessment, and review of product range will allow the company the flexibility to respond to new trends and legislation within the industry as well as meeting customer demand for good quality products. The future prosperity of the business is further safeguarded by a focused and relevant staff training programme and by recruitment, retention and reward of a high calibre management team.

ON BEHALF OF THE BOARD:

W W Watkins - Director

16 December 2019

**Report of the Directors
for the year ended 31 May 2019**

The directors present their report with the financial statements of the company for the year ended 31 May 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture and wholesaling of mineral water and soft drink products together with hotel management.

DIVIDENDS

No dividends will be distributed for the year ended 31 May 2019.

FUTURE DEVELOPMENTS

The company has continued to invest extensively after the year end in both plant and site facilities. This ensures the company is able to continue to meet demand.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2018 to the date of this report.

W W Watkins
J G Rogers-Coltman
Mrs P S Butler

FINANCIAL INSTRUMENTS

The exposure to financial risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

DISCLOSURE IN THE STRATEGIC REPORT

The director has chosen, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013, to set out in the company's strategic report, information required by schedule 7 of the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Report of the Directors
for the year ended 31 May 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

W W Watkins - Director

16 December 2019

Report of the Independent Auditors to the Members of Radnor Hills Mineral Water Company Ltd

Opinion

We have audited the financial statements of Radnor Hills Mineral Water Company Ltd (the 'company') for the year ended 31 May 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors to the Members of
Radnor Hills Mineral Water Company Ltd**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Radnor Hills Mineral Water Company Ltd**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

I A Painter (Senior Statutory Auditor)
for and on behalf of Caerwyn Jones
Chartered Accountants and Statutory Auditor
Emstrey House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

16 December 2019

**Income Statement
for the year ended 31 May 2019**

	Notes	2019 £	2018 £
REVENUE	3	47,985,472	42,051,724
Cost of sales		<u>38,888,497</u>	<u>35,732,257</u>
GROSS PROFIT		9,096,975	6,319,467
Administrative expenses		<u>3,746,461</u>	<u>3,886,503</u>
		5,350,514	2,432,964
Other operating income		<u>213,039</u>	<u>83,613</u>
OPERATING PROFIT	5	5,563,553	2,516,577
Interest receivable and similar income		<u>39,327</u>	<u>21,400</u>
		5,602,880	2,537,977
Interest payable and similar expenses	7	<u>62,315</u>	<u>50,308</u>
PROFIT BEFORE TAXATION		5,540,565	2,487,669
Tax on profit	8	<u>802,423</u>	<u>611,422</u>
PROFIT FOR THE FINANCIAL YEAR		<u>4,738,142</u>	<u>1,876,247</u>

The notes form part of these financial statements

Statement of Financial Position
31 May 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	9		56,820		36,590
Property, plant and equipment	10		<u>14,387,178</u>		<u>13,009,733</u>
			14,443,998		13,046,323
CURRENT ASSETS					
Inventories	11	2,523,490		2,152,174	
Debtors	12	9,612,039		9,105,002	
Cash at bank and in hand		<u>8,219,732</u>		<u>7,560,821</u>	
		20,355,261		18,817,997	
CREDITORS					
Amounts falling due within one year	13	<u>7,997,344</u>		<u>8,667,102</u>	
NET CURRENT ASSETS			<u>12,357,917</u>		<u>10,150,895</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>26,801,915</u>		<u>23,197,218</u>
CREDITORS					
Amounts falling due after more than one year	14		(568,874)		(1,755,785)
PROVISIONS FOR LIABILITIES	18		<u>(339,587)</u>		<u>(286,121)</u>
NET ASSETS			<u>25,893,454</u>		<u>21,155,312</u>
CAPITAL AND RESERVES					
Called up share capital	19		85		85
Revaluation reserve	20		125,278		-
Retained earnings	20		<u>25,768,091</u>		<u>21,155,227</u>
SHAREHOLDERS' FUNDS			<u>25,893,454</u>		<u>21,155,312</u>

The financial statements were approved by the Board of Directors on 16 December 2019 and were signed on its behalf by:

W W Watkins - Director

**Statement of Changes in Equity
for the year ended 31 May 2019**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 June 2017	85	19,278,980	-	19,279,065
Changes in equity				
Total comprehensive income	-	1,876,247	-	1,876,247
Balance at 31 May 2018	85	21,155,227	-	21,155,312
Changes in equity				
Total comprehensive income	-	4,612,864	125,278	4,738,142
Balance at 31 May 2019	85	25,768,091	125,278	25,893,454

The notes form part of these financial statements

**Statement of Cash Flows
for the year ended 31 May 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	6,238,681	4,082,777
Interest paid		(60,633)	(32,777)
Interest element of hire purchase payments paid		(1,682)	(17,531)
Tax paid		(888,663)	(671,582)
Net cash from operating activities		<u>5,287,703</u>	<u>3,360,887</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(35,700)	(20,160)
Purchase of tangible fixed assets		(3,488,023)	(4,972,079)
Sale of tangible fixed assets		51,500	27,256
Interest received		39,327	21,400
Net cash from investing activities		<u>(3,432,896)</u>	<u>(4,943,583)</u>
Cash flows from financing activities			
New loans in year		-	3,600,000
Loan repayments in year		(1,200,000)	(650,000)
Government grants		12,997	19,986
Capital repayments in year		(347)	(332,650)
Amount introduced by directors		1,035,060	23,043
Amount withdrawn by directors		(1,043,606)	(12,898)
Net cash from financing activities		<u>(1,195,896)</u>	<u>2,647,481</u>
Increase in cash and cash equivalents		<u>658,911</u>	<u>1,064,785</u>
Cash and cash equivalents at beginning of year	2	7,560,821	6,496,036
Cash and cash equivalents at end of year	2	<u>8,219,732</u>	<u>7,560,821</u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows
for the year ended 31 May 2019**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before taxation	5,540,565	2,487,669
Depreciation charges	2,214,342	2,236,903
Profit on disposal of fixed assets	(14,517)	(4,525)
Gain on revaluation of fixed assets	(125,278)	-
Government grants	(12,996)	(19,988)
Finance costs	62,315	50,308
Finance income	(39,327)	(21,400)
	<u>7,625,104</u>	<u>4,728,967</u>
Increase in inventories	(371,316)	(424,259)
Increase in trade and other debtors	(233,769)	(1,012,132)
(Decrease)/increase in trade and other creditors	(781,338)	790,201
Cash generated from operations	<u><u>6,238,681</u></u>	<u><u>4,082,777</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 May 2019

	31.5.19	1.6.18
	£	£
Cash and cash equivalents	<u>8,219,732</u>	<u>7,560,821</u>

Year ended 31 May 2018

	31.5.18	1.6.17
	£	£
Cash and cash equivalents	<u>7,560,821</u>	<u>6,496,036</u>

**Notes to the Financial Statements
for the year ended 31 May 2019**

1. STATUTORY INFORMATION

Radnor Hills Mineral Water Company Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Amortisation is calculated to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Debenture	-	written off in equal annual instalments over its estimated useful economic life
Computer software	-	written off in equal annual instalments over its estimated useful economic life

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-	2% on cost
Long leasehold	-	20% on reducing balance
Plant and machinery	-	25% on cost and 25% on reducing balance
Fixtures and fittings	-	33% on cost and 20% on reducing balance
Motor vehicles	-	25% on cost
The Lion f & f	-	25% on reducing balance

Stocks

Inventories and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing inventories to their present location and condition.

**Notes to the Financial Statements - continued
for the year ended 31 May 2019**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by class of business is given below:

	2019	2018
	£	£
Sale of goods	47,985,472	42,051,724
	<u>47,985,472</u>	<u>42,051,724</u>

**Notes to the Financial Statements - continued
for the year ended 31 May 2019**

3. REVENUE - continued

An analysis of revenue by geographical market is given below:

	2019 £	2018 £
United Kingdom	47,231,613	41,658,590
Europe	753,859	393,134
	<u>47,985,472</u>	<u>42,051,724</u>

4. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	6,795,269	6,258,240
Social security costs	485,828	436,468
Other pension costs	132,346	99,220
	<u>7,413,443</u>	<u>6,793,928</u>

The average number of employees during the year was as follows:

	2019	2018
Administration	35	35
Production	129	103
Hotel administration	30	27
	<u>194</u>	<u>165</u>

	2019 £	2018 £
Directors' remuneration	118,456	18,750
Directors' pension contributions to money purchase schemes	<u>10,135</u>	<u>819</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2019	2018
Money purchase schemes	<u>2</u>	<u>2</u>

**Notes to the Financial Statements - continued
for the year ended 31 May 2019**

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Hire of plant and machinery	184,997	190,357
Other operating leases	548,657	545,158
Depreciation - owned assets	2,198,873	2,225,285
Profit on disposal of fixed assets	(14,517)	(4,525)
Other amortisation	15,470	11,616
	<u>15,470</u>	<u>11,616</u>

6. AUDITORS' REMUNERATION

	2019	2018
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	<u>19,580</u>	<u>15,544</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank loan interest	60,474	32,754
Interest payable	159	23
Hire purchase	1,682	17,531
	<u>62,315</u>	<u>50,308</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	1,018,996	615,434
Adjustments in respect of previous periods	(270,039)	-
Total current tax	<u>748,957</u>	<u>615,434</u>
Deferred tax	53,466	(4,012)
Tax on profit	<u>802,423</u>	<u>611,422</u>

**Notes to the Financial Statements - continued
for the year ended 31 May 2019**

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>5,540,565</u>	<u>2,487,669</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,052,707	472,657
Effects of:		
Expenses not deductible for tax purposes	2,296	686
Depreciation in excess of capital allowances	17,459	16,204
Adjustments to tax charge in respect of previous periods	(270,039)	-
Loan to participator	-	<u>121,875</u>
Total tax charge	<u>802,423</u>	<u>611,422</u>

9. INTANGIBLE FIXED ASSETS

	Other £
COST	
At 1 June 2018	61,240
Additions	<u>35,700</u>
At 31 May 2019	<u>96,940</u>
AMORTISATION	
At 1 June 2018	24,650
Amortisation for year	<u>15,470</u>
At 31 May 2019	<u>40,120</u>
NET BOOK VALUE	
At 31 May 2019	<u>56,820</u>
At 31 May 2018	<u>36,590</u>

Notes to the Financial Statements - continued
for the year ended 31 May 2019

10. **PROPERTY, PLANT AND EQUIPMENT**

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 June 2018	6,063,857	656,241	17,791,980
Additions	1,974,016	-	1,379,076
Disposals	-	-	(99,950)
Revaluations	(24,622)	-	-
At 31 May 2019	8,013,251	656,241	19,071,106
DEPRECIATION			
At 1 June 2018	452,911	601,635	10,626,007
Charge for year	112,789	10,915	1,994,205
Eliminated on disposal	-	-	(62,967)
Revaluation adjustments	(149,900)	-	-
At 31 May 2019	415,800	612,550	12,557,245
NET BOOK VALUE			
At 31 May 2019	7,597,451	43,691	6,513,861
At 31 May 2018	5,610,946	54,606	7,165,973

Notes to the Financial Statements - continued
for the year ended 31 May 2019

10. PROPERTY, PLANT AND EQUIPMENT - continued

	Fixtures and fittings £	Motor vehicles £	The Lion f & f £	Totals £
COST OR VALUATION				
At 1 June 2018	298,487	132,056	228,379	25,171,000
Additions	11,452	123,479	-	3,488,023
Disposals	-	(8,797)	-	(108,747)
Revaluations	-	-	-	(24,622)
At 31 May 2019	309,939	246,738	228,379	28,525,654
DEPRECIATION				
At 1 June 2018	208,064	80,793	191,857	12,161,267
Charge for year	34,602	37,254	9,108	2,198,873
Eliminated on disposal	-	(8,797)	-	(71,764)
Revaluation adjustments	-	-	-	(149,900)
At 31 May 2019	242,666	109,250	200,965	14,138,476
NET BOOK VALUE				
At 31 May 2019	67,273	137,488	27,414	14,387,178
At 31 May 2018	90,423	51,263	36,522	13,009,733

Cost or valuation at 31 May 2019 is represented by:

	Freehold property £	Long leasehold £	Plant and machinery £
Valuation in 2018	6,063,857	656,241	17,791,980
Valuation in 2019	1,949,394	-	1,279,126
	8,013,251	656,241	19,071,106

	Fixtures and fittings £	Motor vehicles £	The Lion f & f £	Totals £
Valuation in 2018	298,487	132,056	228,379	25,171,000
Valuation in 2019	11,452	114,682	-	3,354,654
	309,939	246,738	228,379	28,525,654

Notes to the Financial Statements - continued
for the year ended 31 May 2019

10. **PROPERTY, PLANT AND EQUIPMENT - continued**

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2019	2018
	£	£
Cost	<u>8,037,873</u>	<u>6,063,857</u>
Aggregate depreciation	<u>565,700</u>	<u>452,911</u>
Value of land in freehold land and buildings	<u>7,472,173</u>	<u>5,610,946</u>

The Lion Hotel was valued on an open market basis on 31 May 2019 by the director .

Included within the carrying value of tangible assets are the following amounts related to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 31 May 2019	<u>76,442</u>
At 31 May 2018	<u>56,296</u>

11. **INVENTORIES**

	2019	2018
	£	£
Raw materials	1,471,538	1,354,991
Work-in-progress	186,660	-
Finished goods	<u>865,292</u>	<u>797,183</u>
	<u>2,523,490</u>	<u>2,152,174</u>

Notes to the Financial Statements - continued
for the year ended 31 May 2019

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Trade debtors	8,639,380	8,521,341
Other debtors	430,117	385,117
Tax	273,268	-
Prepayments and accrued income	269,274	198,544
	<u>9,612,039</u>	<u>9,105,002</u>

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Bank loans and overdrafts (see note 15)	1,200,000	1,200,000
Hire purchase contracts (see note 16)	14,300	27,736
Trade creditors	5,609,160	6,072,059
Tax	218,996	85,434
Social security and other taxes	143,974	117,615
VAT	395,064	476,748
Other creditors	88,896	101,938
Directors' loan accounts	1,661	10,207
Accruals and deferred income	325,293	562,369
Deferred government grants	-	12,996
	<u>7,997,344</u>	<u>8,667,102</u>

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

	2019	2018
	£	£
Bank loans (see note 15)	550,000	1,750,000
Hire purchase contracts (see note 16)	18,874	5,785
	<u>568,874</u>	<u>1,755,785</u>

15. **LOANS**

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>1,200,000</u>	<u>1,200,000</u>

Notes to the Financial Statements - continued
for the year ended 31 May 2019

15. **LOANS - continued**

	2019	2018
	£	£
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>550,000</u>	<u>1,750,000</u>

16. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	14,300	27,736
Between one and five years	<u>18,874</u>	<u>5,785</u>
	<u>33,174</u>	<u>33,521</u>
	Non-cancellable	
	operating leases	
	2019	2018
	£	£
Within one year	20,041	12,155
Between one and five years	<u>173,365</u>	<u>239,184</u>
	<u>193,406</u>	<u>251,339</u>

17. **SECURED DEBTS**

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank loans	<u>1,750,000</u>	<u>2,950,000</u>

The bank loans are secured against the assets of the company.

Notes to the Financial Statements - continued
for the year ended 31 May 2019

18. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax		
Accelerated capital allowances	315,784	286,121
Other timing differences	23,803	-
	<u>339,587</u>	<u>286,121</u>
		Deferred tax
		£
Balance at 1 June 2018		286,121
Charge to Income Statement during year		53,466
Balance at 31 May 2019		<u>339,587</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2019 £	2018 £
85	Ordinary		<u>85</u>	<u>85</u>

20. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 June 2018	21,155,227	-	21,155,227
Profit for the year	4,738,142		4,738,142
Transfer	(125,278)	125,278	-
At 31 May 2019	<u>25,768,091</u>	<u>125,278</u>	<u>25,893,369</u>

Notes to the Financial Statements - continued
for the year ended 31 May 2019

21. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 May 2019 and 31 May 2018:

	2019 £	2018 £
W W Watkins		
Balance outstanding at start of year	10,207	62
Amounts advanced	1,030,566	1,258,652
Amounts repaid	(1,039,329)	(1,248,507)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>1,444</u>	<u>10,207</u>
Mrs P S Butler		
Balance outstanding at start of year	-	-
Amounts advanced	216	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>216</u>	<u>-</u>

The amount due to the directors is repayable on demand. During the year no interest was paid on the balances.

22. **RELATED PARTY DISCLOSURES**

Goods and services amounting to £1,180,500 (2018 £1,500,300) were paid by the company and received by Mr W W Watkins, a director of the company. At the year end there were no balances outstanding (2018 £Nil).

During the year goods and services amounting to £110,633 (2018 £90,800) were paid by the company to J Watkins & Son. Mr W W Watkins, a director of Radnor Hills Mineral Water Company Limited, is also a partner in J Watkins & Son.

During the year ended 31st May 2018 the company loaned £375,000 to J Watkins & Son. This is an interest free loan and at the year end £375,000 remained outstanding.

During the year the company loaned £50,000 to Kamiph Investments Limited, a company whose directors are connected by relationship with Mr W W Watkins. This is an interest free loan and at the year end £50,000 remained outstanding.

23. **ULTIMATE CONTROLLING PARTY**

The controlling party is W W Watkins.

Notes to the Financial Statements - continued
for the year ended 31 May 2019

24. GOVERNMENT GRANTS

	2018	2018
	£	£
At start of period	12,996	32,984
Grants received or receivable	-	-
Released to the income statement	<u>(12,996)</u>	<u>(19,988)</u>
At end of period	<u>-</u>	<u>12,996</u>

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