

Cotleigh Brewery Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 June 2019

Cotleigh Brewery Limited

Contents

Balance Sheet	<u>1</u> to <u>2</u>
Notes to the Unaudited Financial Statements	<u>3</u> to <u>9</u>

Cotleigh Brewery Limited

(Registration number: 04758308)

Balance Sheet as at 30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	<u>4</u>	147,548	184,391
Tangible assets	<u>5</u>	<u>50,728</u>	<u>73,909</u>
		<u>198,276</u>	<u>258,300</u>
Current assets			
Stocks	<u>6</u>	33,808	36,018
Debtors	<u>7</u>	120,187	138,610
Cash at bank and in hand		<u>724</u>	<u>17,502</u>
		154,719	192,130
Creditors: Amounts falling due within one year	<u>8</u>	<u>(149,844)</u>	<u>(577,823)</u>
Net current assets/(liabilities)		<u>4,875</u>	<u>(385,693)</u>
Total assets less current liabilities		<u>203,151</u>	<u>(127,393)</u>
Creditors: Amounts falling due after more than one year	<u>8</u>	(212,316)	(22,635)
Provisions for liabilities		<u>(4,031)</u>	<u>-</u>
Total non-current liabilities		<u>216,347</u>	<u>22,635</u>
Capital and reserves			
Called up share capital		100,000	100,000
Profit and loss account		<u>(113,196)</u>	<u>(250,028)</u>
Total equity		<u>(13,196)</u>	<u>(150,028)</u>
Total equity and non-current liabilities		<u>203,151</u>	<u>(127,393)</u>

Cotleigh Brewery Limited

(Registration number: 04758308)

Balance Sheet as at 30 June 2019

For the financial year ending 30 June 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

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

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

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

Approved and authorised by the director on 25 September 2020

S B Heptinstall
Company secretary and director

Cotleigh Brewery Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

1 General information

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

The address of its registered office is:

Cotleigh Brewery
Ford Road
Wiveliscombe
Somerset
TA4 2RE

These financial statements were authorised for issue by the director on 25 September 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

Revenue recognition

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

Tax

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

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Cotleigh Brewery Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

Tangible assets

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

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

Depreciation

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

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life of 18 years of which the director considers to be a realistic estimate and gives a fair value at the year end.

Amortisation

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

Asset class	Amortisation method and rate
Goodwill	straight line over 18 years

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

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

Cotleigh Brewery Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

Stocks

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

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Borrowings

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

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

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

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

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

Share capital

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

Cotleigh Brewery Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year was 10 (2018 - 12).

Cotleigh Brewery Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 July 2018	663,831	663,831
At 30 June 2019	663,831	663,831
Amortisation		
At 1 July 2018	479,440	479,440
Amortisation charge	36,843	36,843
At 30 June 2019	516,283	516,283
Carrying amount		
At 30 June 2019	147,548	147,548
At 30 June 2018	184,391	184,391

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation				
At 1 July 2018	2,403	106,900	218,957	328,260
Disposals	-	(16,476)	-	(16,476)
At 30 June 2019	2,403	90,424	218,957	311,784
Depreciation				
At 1 July 2018	2,263	51,030	201,058	254,351
Charge for the year	140	12,557	4,837	17,534
Eliminated on disposal	-	(10,829)	-	(10,829)
At 30 June 2019	2,403	52,758	205,895	261,056
Carrying amount				
At 30 June 2019	-	37,666	13,062	50,728
At 30 June 2018	140	55,870	17,899	73,909

Cotleigh Brewery Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

6 Stocks

	2019 £	2018 £
Work in progress	10,752	12,918
Finished goods and goods for resale	23,056	23,100
	<u>33,808</u>	<u>36,018</u>

7 Debtors

	2019 £	2018 £
Trade debtors	114,183	131,686
Other debtors	5,160	5,418
Prepayments and accrued income	844	1,506
Total current trade and other debtors	<u>120,187</u>	<u>138,610</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Loans and overdrafts	9	14,996	13,865
Trade creditors		69,939	96,468
Taxation and social security		36,871	35,531
Other creditors		3,410	397,709
Accruals and deferred income		24,628	34,250
		<u>149,844</u>	<u>577,823</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £14,995 (2018 - £13,865).

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	9	<u>212,316</u>	<u>22,635</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £11,992 (2018 - £22,635).

Cotleigh Brewery Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

9 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Hire purchase contracts	11,992	22,635
Other borrowings	200,324	-
	<u>212,316</u>	<u>22,635</u>

	2019 £	2018 £
Current loans and borrowings		
Bank overdrafts	4,354	-
Hire purchase contracts	10,642	13,865
	<u>14,996</u>	<u>13,865</u>

10 Financial commitments, guarantees and contingencies

National Westminster Bank as security for borrowings from any account have a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, uncalled capital, buildings, fixtures and fixed plant & machinery.

11 Related party transactions

Other transactions with the director

The director has provided a personal guarantee to National Westminster Bank of £75,000 for the company's borrowing on all accounts.

The company leases the premises from a pension scheme where the director is a beneficiary for £24,525 (2018: £25,000) per annum.

12 Non adjusting events after the financial period

Since the reporting date, the growth of the COVID-19 pandemic across the world has resulted in greater uncertainty for many businesses as the economic outlook remains unclear.

Due to the nature of the business, there have been impacts on both the supply chain and ability to trade with customers who are also facing difficulties at this time.

Owing to the continuing support of the shareholder, the company is in a position to continue as a going concern for the next twelve months.

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.