

LUJO DISTILLING COMPANY LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 MARCH 2020

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

LUJO DISTILLING COMPANY LIMITED
REGISTERED NUMBER: 11245504

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 4 | 9,783 | 12,273 |
| | | <u>9,783</u> | <u>12,273</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 5 | 3,647 | 2,405 |
| Cash at bank and in hand | 6 | 914 | 997 |
| | | <u>4,561</u> | <u>3,402</u> |
| Creditors: amounts falling due within one year | 7 | (78,614) | (64,078) |
| Net current liabilities | | <u>(74,053)</u> | <u>(60,676)</u> |
| Total assets less current liabilities | | <u>(64,270)</u> | <u>(48,403)</u> |
| Net liabilities | | <u>(64,270)</u> | <u>(48,403)</u> |
| Capital and reserves | | | |
| Called up share capital | | 20 | 20 |
| Profit and loss account | | (64,290) | (48,423) |
| | | <u>(64,270)</u> | <u>(48,403)</u> |

LUJO DISTILLING COMPANY LIMITED
REGISTERED NUMBER: 11245504

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J P Adlam

Director

Date: 28 September 2020

The notes on pages 3 to 7 form part of these financial statements.

LUJO DISTILLING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The company is a limited company by shares incorporated and domiciled in the United Kingdom. Its registered office is 88 Bawtry Road, Bessacarr, Doncaster, South Yorkshire, United Kingdom, DN4 7BQ.

The principal activity of the company is the distilling and onward sale of Gin.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The preparation of these financial statements does not include any adjustments that may be required as a consequence of the COVID-19 pandemic outbreak during March 2020. At the date of the signing of the financial statements, the consequences of COVID-19 on the company and the financial statements are subject to a high level of estimation uncertainty and these financial statements therefore do not include any such adjustments.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis which assumes the continuing support of the directors and shareholders.

The directors have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic will bring over the coming weeks and months, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the UK economy.

In reaching their conclusion, the directors have considered their cash flow from a period of 12 months from the date of sign off, the various financial support measures that have been announced by the UK government, and the availability of funding.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 09 March 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

| | | | |
|-----------------------|---|-----|---------------|
| Plant and machinery | - | 20% | Straight line |
| Fixtures and fittings | - | 25% | Straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

LUJO DISTILLING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2019 - 4).

LUJO DISTILLING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. Tangible fixed assets

| | Plant and machinery £ | Fixtures and fittings £ | Total £ |
|-------------------------------------|-----------------------------|-------------------------------|------------|
| Cost or valuation | | | |
| At 1 April 2019 | 13,289 | 839 | 14,128 |
| At 31 March 2020 | 13,289 | 839 | 14,128 |
| Depreciation | | | |
| At 1 April 2019 | 1,733 | 122 | 1,855 |
| Charge for the year on owned assets | 2,311 | 179 | 2,490 |
| At 31 March 2020 | 4,044 | 301 | 4,345 |
| Net book value | | | |
| At 31 March 2020 | 9,245 | 538 | 9,783 |
| At 31 March 2019 | 11,556 | 717 | 12,273 |

LUJO DISTILLING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Debtors

| | 2020 £ | 2019 £ |
|---------------|--------------|--------------|
| Trade debtors | 1,679 | 804 |
| Other debtors | 1,968 | 1,601 |
| | <u>3,647</u> | <u>2,405</u> |

6. Cash and cash equivalents

| | 2020 £ | 2019 £ |
|--------------------------|------------|------------|
| Cash at bank and in hand | 914 | 997 |
| | <u>914</u> | <u>997</u> |

7. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------|---------------|---------------|
| Trade creditors | 7,069 | 3,062 |
| Other creditors | 69,045 | 59,766 |
| Accruals and deferred income | 2,500 | 1,250 |
| | <u>78,614</u> | <u>64,078</u> |

8. Related party transactions

Included in other creditors amounts falling due within one year is the intercompany loan balance due to Formosa Limited. Formosa Limited is a company under the control of JP & AM Adlam. At the balance sheet date this amounts to £69,045 (2019:£59,766). This loan is interest free and repayable on demand.

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