

REGISTERED NUMBER: SC416421 (Scotland)

Financial Statements for the Year Ended 28 February 2019

for

Brewhemia Limited

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for the Year Ended 28 February 2019

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Brewhemia Limited
Company Information
for the Year Ended 28 February 2019

DIRECTORS: S W Smith
P Smith

SECRETARY: K M Liddle

REGISTERED OFFICE: 2nd Floor Offices
52-54 King Street
Stirling
FK8 1AY

REGISTERED NUMBER: SC416421 (Scotland)

SENIOR STATUTORY AUDITOR: Derek J Smith

AUDITORS: Rennie Smith & Co
Statutory Auditors
Chartered Accountants
64 Murray Place
Stirling
FK8 2BX

Brewhemia Limited (Registered number: SC416421)

Balance Sheet
28 February 2019

		2019		2018 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		1,473,430		1,611,960
CURRENT ASSETS					
Stocks		83,652		75,492	
Debtors	5	292,757		84,925	
Cash at bank and in hand		<u>114,211</u>		<u>261,100</u>	
		490,620		421,517	
CREDITORS					
Amounts falling due within one year	6	<u>1,588,604</u>		<u>1,686,199</u>	
NET CURRENT LIABILITIES			<u>(1,097,984)</u>		<u>(1,264,682)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			375,446		347,278
CREDITORS					
Amounts falling due after more than one year	7		<u>858,233</u>		<u>908,233</u>
NET LIABILITIES			<u>(482,787)</u>		<u>(560,955)</u>
CAPITAL AND RESERVES					
Called up share capital	11		200		200
Retained earnings	12		<u>(482,987)</u>		<u>(561,155)</u>
SHAREHOLDERS' FUNDS			<u>(482,787)</u>		<u>(560,955)</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 29 November 2019 and were signed on its behalf by:

P Smith - Director

Notes to the Financial Statements
for the Year Ended 28 February 2019

1. STATUTORY INFORMATION

Brewhemia Limited is a private company, limited by shares, registered in Scotland. 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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The balance sheet at 28 February 2019 shows net liabilities of £482,787. However, there is no fixed date for redemption of the preference shares and it is not the intention of the directors to redeem those shares until the company has sufficient liquidity. In addition, the loan notes which are included in long term liabilities are repayable in October 2021 and, whilst, other loans from shareholders and associates, as mentioned at notes 11 and 14, have been classified as short term it is not the intention of those parties to seek repayment with the next 12 period. Accordingly, the directors have prepared the financial statements on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements the directors have made the following judgements

Taxation

Management establish provisions based on reasonable estimates, for possible consequences of taxation. The amount of the provision is based on various factors. Management's estimation is required to determine the amount of deferred tax that can be recognized based on likely timing and level of future taxable profits.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing assets lives, factors such as technology innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover

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

Tangible fixed assets

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

Leasehold improvements	- 10% on cost
Fixtures and fittings	- 10% on cost

Stocks

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

Notes to the Financial Statements - continued
for the Year Ended 28 February 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

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.

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 and are readily convertible to known amounts of cash with insignificant risk of change in value.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 136 (2018 - 132).

Notes to the Financial Statements - continued
for the Year Ended 28 February 2019

4. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Totals £
COST			
At 1 March 2018	1,404,345	308,172	1,712,517
Additions	-	37,562	37,562
Disposals	-	(2,178)	(2,178)
At 28 February 2019	<u>1,404,345</u>	<u>343,556</u>	<u>1,747,901</u>
DEPRECIATION			
At 1 March 2018	82,580	17,977	100,557
Charge for year	140,435	33,479	173,914
At 28 February 2019	<u>223,015</u>	<u>51,456</u>	<u>274,471</u>
NET BOOK VALUE			
At 28 February 2019	<u>1,181,330</u>	<u>292,100</u>	<u>1,473,430</u>
At 28 February 2018	<u>1,321,765</u>	<u>290,195</u>	<u>1,611,960</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 as restated £
Amounts owed by associates	150,610	-
Other debtors	<u>142,147</u>	<u>84,925</u>
	<u>292,757</u>	<u>84,925</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 as restated £
Bank loans and overdrafts	50,000	50,000
Trade creditors	352,696	280,345
Amounts owed to associates	1,173	165,353
Taxation and social security	263,547	180,404
Other creditors	<u>921,188</u>	<u>1,010,097</u>
	<u>1,588,604</u>	<u>1,686,199</u>

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

	2019 £	2018 as restated £
Bank loans	108,333	108,333
Other creditors	<u>749,900</u>	<u>799,900</u>
	<u>858,233</u>	<u>908,233</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2019

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018 as restated
	£	£
Within one year	70,000	70,000
Between one and five years	280,000	280,000
In more than five years	210,000	280,000
	<u>560,000</u>	<u>630,000</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018 as restated
	£	£
Bank loans	<u>158,333</u>	<u>158,333</u>

The bank hold a floating charge over all the property or undertakings of the company.

10. FINANCIAL INSTRUMENTS

The issued preference shares in the company is 299,000 shares of £1 each. Those shares carry no voting rights but the holders of the shares are entitled to a fixed cumulative dividend at the rate of 3.5% per annum on the nominal value of the preference shares. The unpaid cumulative dividend at the balance sheet date was £24,588.

In addition, the shareholders hold loan notes in the total amount of £500,000. Those notes, which are not transferable, are unsecured and bear an interest rate of 10%. The loan notes are repayable on 26 October 2021. The unpaid cumulated interest on those notes at the balance sheet date was £75,457.

Further loans, in the total amount of £200,000 previously advanced by associates, have been repaid during the year.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018 as restated
			£	£
200	Ordinary	£1	<u>200</u>	<u>200</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2019

12. RESERVES

	Retained earnings £
At 1 March 2018	(661,712)
Prior year adjustment	<u>100,557</u>
	(561,155)
Profit for the year	<u>78,168</u>
At 28 February 2019	<u>(482,987)</u>

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Derek J Smith (Senior Statutory Auditor)
for and on behalf of Rennie Smith & Co

14. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The directors advanced loans to the company during the prior year in the total amount of £384,412. A further advance of £10,000 was made during the year under review. Those loans which have no fixed term of repayment are unsecured but interest at the rate of 15% has been accrued on the outstanding balance. The unpaid accumulated interest at the balance sheet date was £103,714.

15. RELATED PARTY DISCLOSURES

Lochrise Limited

During the period under review, Lochrise Limited incurred expenses of £40,301 (2018 -£38,413) on behalf of Brewhemia Limited. Brewhemia Limited also incurred expenses costs relating to Lochrise Limited in the amount of £1707 (2018 - £108). A management charge of £160,424 was paid to Lochrise Limited during the year concerned

In addition, Lochrise advanced funds of £107,563 to the company. This loan is unsecured but interest at the rate of 8% has been accrued on the outstanding balance..The unpaid accumulated interest at the balance sheet date was £14,592.

The balance due from Lochrise Limited at the balance sheet date was in the amount of £150,610 (2018- (£145,796).

City Falkirk Limited

During the period under review, Brewhemia Limited incurred expenses of £51 on behalf of City Falkirk Limited.

The balance due to City Falkirk Limited at the balance sheet date was in the amount of £1,111.

Fubar Stirling Limited

During the period under review, Fubar Stirling Limited incurred expenses of £170 on behalf of Brewhemia Limited. Brewhemia Limited incurred expenses of £1,456.

The balance due to Fubar Stirling Limited at the balance sheet date was in the amount of £62.

16. ULTIMATE CONTROLLING PARTY

The company is under the control of the shareholders..

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.