

Malcolm Cowen (Drinks) Limited

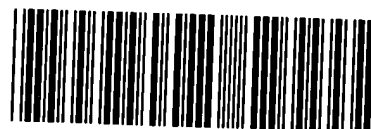
Report and Financial Statements

Year Ended

31 March 2018

Company Number 06981731

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Malcolm Cowen (Drinks) Limited

Report and financial statements
for the year ended 31 March 2018

Contents

Page:

1	Director's report
3	Independent auditor's report
6	Statement of comprehensive income
7	Balance sheet
8	Statement of changes in equity
9	Notes forming part of the financial statements

Director

S Thakrar

Registered office

31-37 Park Royal Road, London, NW10 7LQ

Company number

06981731

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Malcolm Cowen (Drinks) Limited

Director's report for the year ended 31 March 2018 *(continued)*

The director presents his report together with the audited financial statements for the year ended 31 March 2018.

Business review

The company was previously a retailer in alcoholic beverages but has changed its principle activity to sub-leasing a property which it acquired under a head lease. The sub-lease is to an unconnected 3rd party company engaged in wholesaling of food related products.

The statement of comprehensive income is set out on page 6 and shows turnover for the year at £Nil (2017 - £376,753). During the year the company received rental income of £106,410 (2017 - £162,691).

Financial position as at the end of the financial period

The company had net liabilities of £342,823 as at 31 March 2018 compared to net liabilities of £345,359 as at 31 March 2017.

Going concern

In the opinion of the directors, it is appropriate to prepare the financial statements on the going concern basis due to the continued support of the ultimate Parent Company.

The director did not recommend the payment of a dividend.

Director

The director of the company during the year and since the year end was:

S Thakrar

Director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the UK and the Republic of Ireland.'). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Malcolm Cowen (Drinks) Limited

Director's report
for the year ended 31 March 2018 (*continued*)


Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



S Thakrar
Director

11 December 2018

Malcolm Cowen (Drinks) Limited

Independent auditor's report

TO MEMBERS OF MALCOLM COWEN (Drinks) LIMITED

Opinion

We have audited the financial statements of Malcolm Cowen (Drinks) Limited ("the Company") for the year ended 31 March 2018, which comprise the statement comprehensive income, the balance sheet, the statement of changes in equity and 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 March 2018 and of its loss 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 Auditor's 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.

Malcolm Cowen (Drinks) Limited

Independent auditor's report (*continued*)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 is 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

Malcolm Cowen (Drinks) Limited

Independent auditor's report (*continued*)

Responsibilities of Directors (*continued*)

of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 an auditor's report 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.



Anthony Perkins (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

12 December 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Malcolm Cowen (Drinks) Limited

Statement of comprehensive income for the year ended 31 March 2018

		Year ended 31 March 2018 £	Period 1 October 2015 to 31 March 2017 £
	Note		
Turnover	3	-	376,753
Cost of sales		-	(314,099)
Gross profit		-	62,654
Distribution and marketing costs		-	9,464
Other administrative expenses	4	(100,801)	(165,328)
Exceptional provision for bad debts		-	(57,854)
Administrative expenses		(100,801)	(223,182)
		(100,801)	(151,064)
Gain on disposal of Distribution Rights		-	569,652
Rental Income		106,410	162,691
Operating profit	4	5,609	581,279
Interest receivable and similar income		-	254
Profit on ordinary activities before taxation		5,609	581,533
Taxation on profit from ordinary activities	5	(3,073)	(113,549)
Profit for the period		2,536	467,984
Other comprehensive income for the period		-	-
Total comprehensive (loss)/income for period		2,536	467,984

All amounts relate to continuing activities.

The notes on pages 9 to 16 form part of these financial statements.

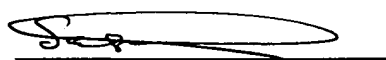
Malcolm Cowen (Drinks) Limited

Balance sheet at 31 March 2018

<i>Company number 06981731</i>	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible asset	6		1		1
Current assets					
Debtors	7	1,292,456		1,378,935	
Cash at bank and in hand		51,251		26,005	
		<u>1,343,707</u>		<u>1,404,940</u>	
Creditors: amounts falling due within one year	8	<u>(1,686,531)</u>		<u>(1,750,300)</u>	
Net current liabilities			(342,824)		(345,360)
Total assets less current liabilities			<u>(342,823)</u>		<u>(345,359)</u>
Capital and reserves					
Called up share capital	9		300,000		300,000
Profit and loss account			(642,823)		(645,359)
Shareholders' deficit			<u>(342,823)</u>		<u>(345,359)</u>

These financial statements have been prepared in accordance with the provisions applicable to company's subject to the small company's regime.

The financial statements were approved by the Board of Directors and authorised for issue on 11 December 2018


S Thakrar
Director

The notes on pages 9 to 16 form part of these financial statements.

Malcolm Cowen (Drinks) Limited

**Statement of changes in equity
for the year ended 31 March 2018**

	Share capital £	Profit and loss account £	Total equity £
1 April 2017	300,000	(645,359)	(345,359)
Profit and total comprehensive income for the period	-	2,536	2,536
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	2,536	2,536
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
31 March 2018	300,000	(642,823)	(342,823)
	<hr/>	<hr/>	<hr/>

	Share capital £	Profit and loss account £	Total equity £
1 October 2015	300,000	(1,113,343)	(813,343)
Profit and total comprehensive income for the year	-	467,984	467,984
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	467,984	467,984
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
31 March 2017	300,000	(645,359)	(345,359)

The notes on pages 9 to 16 form part of these financial statements.

Malcolm Cowen (Drinks) Limited

Notes forming part of the financial statements for the year ended 31 March 2018

1 Accounting policies

Malcolm Cowen (Drinks) Limited is a company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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. Details of critical judgements and estimates are given in note 2.

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the company;
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The information is included in the consolidated financial statements of HT Drinks Holdings Ltd (formerly Everwine Limited). The consolidated financial statements of this company are available to the public and may be obtained from Companies House.

The following principal accounting policies have been applied:

Going concern

The company made a profit during the year to 31 March 2018 of £2,536 (2017 – £467,984) and had net liabilities of £342,823 (2017 - £345,359) at the balance sheet date. In the opinion of the directors, it is appropriate to prepare the financial statements on the going concern basis due to the continued support of the ultimate Parent Company.

Intangible assets - trademarks and distribution agreements

Externally acquired trademarks and distribution agreements are initially recognised at cost and subsequently amortised on a straight line basis over their useful economic lives of 25 years.

Taxation

Current and deferred taxation

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

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.

Malcolm Cowen (Drinks) Limited

Notes forming part of the financial statements for the year ended 31 March 2018 (*continued*)

1 Accounting policies (*continued*)

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets: Lessor

Where assets are leased to a third party and give rights to approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduced the amounts owed by the lessee.

All other leases are treated as operating leases. Their annual rentals are credited to profit or loss on a straight-line basis over the term of lease.

Leased assets - Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease term and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Malcolm Cowen (Drinks) Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

1 Accounting policies (*continued*)

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit & Loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgement:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

3 Turnover

Turnover is wholly attributable to the former principal activity of the company and is analysed by market below:

	Year ended 31 March 2018 £	Period 1 October 2015 to 31 March 2017 £
United Kingdom	-	376,753

4 Operating profit

	Year ended 31 March 2018 £	Period 1 October 2015 to 31 March 2017 £
This has been arrived at after crediting/(charging):		
Auditors' remuneration - audit services	(3,750)	2,500
Depreciation of tangible fixed assets	-	3,872
Land and buildings – rental income	106,410	-
Exceptional provision for bad debts	-	57,854
Hire of equipment and vehicles - operating leases	-	148
Land and buildings - operating leases	(100,000)	162,691
Other expenses	(291)	-

Malcolm Cowen (Drinks) Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

5 Taxation on profit/loss from ordinary activities

	Year ended 31 March 2018 £	Period 1 October 2015 to 31 March 2017 £
<i>Current tax</i>		
UK corporation tax at 19.0% (2017 – 20.0%)	-	118,768
Adjustments in respect of prior periods	(18)	30
Total current tax charge	(18)	118,798
<i>Deferred tax</i>		
Origination and reversal of timing differences	377	(5,278)
Adjustment in respect of prior period	2,714	-
Effect of tax rate change on opening balance	-	(1)
Total deferred tax charge/(credit)	3,091	(5,279)
Tax on profit of ordinary activities	3,073	113,519
<i>Provision for deferred tax</i>		
Accelerated capital allowances	(2,188)	(2,559)
Short term timing differences	-	(2,720)
Total deferred tax asset	(2,188)	(5,279)
<i>Movement in provision:</i>		
Provision at start of year	(5,279)	-
Deferred tax credited in the statement income for the period	3,091	(5,279)
Deferred tax asset at end of period	(2,188)	(5,279)

Malcolm Cowen (Drinks) Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

5 Taxation on profit/loss from ordinary activities (*continued*)

	Year ended 31 March 2018 £	Period 1 October 2015 to 31 March 2017 £
<i>Reconciliation of tax charge</i>		
Profit/loss on ordinary activities before tax	5,609	581,533
Tax on profit on ordinary activities at the standard rate of corporation tax of 19% (2017 - 20.00%)	1,066	116,307
Effects of:		
Expenses not deductible for tax purposes	809	144
Adjustments to brought forward values	-	2,358
Transfer pricing adjustments	(3,758)	-
Group relief surrendered	2,304	-
Adjustments to tax charge in respect of previous periods	(18)	30
Adjustments to deferred tax rates	2,714	932
Deferred tax not previously recognised	(44)	(6,252)
Total tax charge for period	3,073	113,519

6 Intangible assets

	Trade mark £	Total £
<i>Cost</i>		
At 1 April 2017 and at 31 March 2018	1	1
<i>Amortisation</i>		
At 1 April 2017 and at 31 March 2018	-	-
<i>Net book value</i>		
At 31 March 2018	1	1
At 31 March 2017	1	1

Malcolm Cowen (Drinks) Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

7 Debtors

	2018 £	2017 £
Other debtors	965,000	1,015,789
Amount due from parent undertaking	300,000	300,000
Corporation tax and other tax receivable	117	117
Deferred Tax	2,188	5,279
Prepayments and accrued income	25,151	57,750
	<u>1,292,456</u>	<u>1,378,935</u>

All amounts shown under debtors fall due for payment within one year.

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	54,846	54,846
Corporation tax	118,780	118,798
Amount due to other group companies	1,510,655	1,570,656
Accruals	2,250	6,000
	<u>1,686,531</u>	<u>1,750,300</u>

The amount shown as due to group companies of £1,510,655 is interest free and repayable on demand.

9 Share capital

	2018 Number	Allotted, called up and fully paid 2017 Number	2018 £	2017 £
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

Malcolm Cowen (Drinks) Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

10 Commitments under operating leases

Lessee

As at 31 March 2018, the company had annual commitments under operating leases as set out below:

	Land and buildings 2018 £	Land and buildings 2017 £
Operating leases which expire:		
Within one year	100,000	100,000
In one to two years	100,000	100,000
In two to five years	300,000	300,000
In more than five years	1,233,333	1,333,333
	<u>1,733,333</u>	<u>1,833,333</u>

Lessor

The company sub-leases the property under the non-cancellable lease as disclosed above. The future minimum lease payments under the sub lease is as follows (There are no contingent rents):

	Land and buildings 2018 £	Land and buildings 2017 £
Operating leases which expire:		
Within one year	114,010	114,010
In one to two years	114,010	114,010
In two to five years	59,972	174,295
In more than five years	-	-
	<u>287,992</u>	<u>402,315</u>

11 Related party transactions

The following transactions were undertaken on commercial terms during the period with Drinksupermarket.com Limited, a company controlled and 80% owned by HT Drinks Holdings Ltd (formerly Everwine Limited).

- Sales of goods & Services totalling £Nil (2017 - £1,429).

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with members of the group headed by HT Drinks Holdings Ltd (formerly Everwine Limited) on the grounds that all of the voting rights in the company are controlled within that group and the results are included in consolidated financial statements.

Malcolm Cowen (Drinks) Limited

**Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)**

12 Ultimate parent company and controlling party

The company is a subsidiary of HT Drinks Holdings Ltd (formerly Everwine Limited), which is the ultimate parent company and Mr P Thakrar is the ultimate controlling party.

The smallest and largest group in which the results of the company are consolidated is that headed by HT Drinks Holdings Ltd (formerly Everwine Limited). The consolidated financial statements of this company are available to the public and may be obtained from Companies House. No other group financial statements include the results of the company.