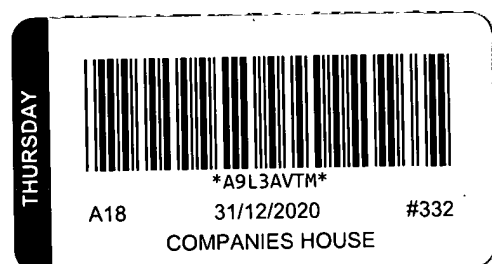


Registered number: 00790103

BERKMANN FAMILY HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



BERKMANN FAMILY HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | J K Berkmann - Chairman R A Berkmann P Haidacher E Smolinska Berkmann C Berkmann (appointed 24 May 2019) |
| Company secretary | N R Vimala-Raj |
| Registered number | 00790103 |
| Registered office | 10-12 Brewery Road London N7 9NH |
| Independent auditors | Nexia Smith & Williamson Chartered Accountants & Statutory Auditor Portwall Place Portwall Lane Bristol BS1 6NA |
| Bankers | HSBC Bank plc 2nd Floor, Space One 1 Beadon Road Hammersmith London |
| Solicitors | Ingram Winter Green Bedford House 21A John Street London WC1N 2BF |

BERKMANN FAMILY HOLDINGS LIMITED

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BERKMANN FAMILY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Directors present their report and the financial statements for the year ended 31 March 2020.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £1,041,841 (2019 - £1,112,447).

A dividend of £216,000 (2018 - £216,000) was paid in the year.

Directors

The Directors who served during the year were:

J K Berkmann - Chairman
R A Berkmann
P Haidacher
E Smolinska Berkmann
C Berkmann (appointed 24 May 2019)

Directors' responsibilities statement

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 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 Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group and the Company will continue in business.

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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BERKMANN FAMILY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Future developments

COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. The core customer base of the group operates in the hospitality trade and as a result, the impact of the pandemic has been significant and a sharp decline in post year end revenue has been unavoidable. Management have taken advantage of various forms of government assistance, including furlough, HMRC payment deferrals and a CLBILS facility which has minimised the losses generated by the group in this period and has protected liquidity. Having been quick to address the cost base of the group and implement a number of cost saving measures, management remain confident in the future prospects of the group and a return to the level of profitability experienced in recent years.

Greenhouse gas emissions, energy consumption and energy efficiency action

In this section of the report

- "tCO₂e" means tonnes of carbon dioxide equivalent
- "kWh" means kilowatt hours

| | 2020 |
|--|-----------|
| Revenue in £'m | 78,388 |
| The annual quantity of emissions in tCO ₂ e resulting from activities in which the group purchased electricity | 42.6 |
| The annual quantity of emissions in tCO ₂ e resulting from activities in which the group (i) consumed fuel for the purposes of transport or (ii) purchased gas for its own use | 603.5 |
| The annual quantity of energy consumed in kWh from activities for which the group was responsible for (i) the purchase of electricity (ii) the combustion of Gas and (iii) consumed fuel for the purposes of transport | 2,754,945 |
| The group's annual emissions ratio tonnes of CO ₂ e per million £ of turnover | 8.24:1 |

The consumption figures were calculated:

The kWh resulting from purchase of electricity and the combustion of gas: Taken directly from third party supplier invoices and then converted to tCO₂e from current conversion factors published by The Department for Business, Energy and Industrial Strategy.

Fuel for Purposes of Transport: Total cost of petrol or diesel fuel per vehicle was received from third party fuel card supplier. This was converted to litres and then converted again to tCO₂e from current conversion factors published by The Department for Business, Energy and Industrial Strategy.

During the period, the group continued to pursue measures to improve the group's energy efficiency, including posting signage around office sites reminding staff to close doors and turn off lights where possible, beginning detailed monitoring of meter usage and continuing to refine our transport planning to increase the efficiency of deliveries. On top of this, we have invested in a new fuel-efficient fleet which uses Selective Catalytic Reduction to reduce emissions and improve fuel efficiency. These actions have helped us in achieving the Greenmark Level 1 certification, an internationally recognised environmental accreditation.

BERKMANN FAMILY HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



R A Berkmann
Director

Date: 18 December 2020

BERKMANN FAMILY HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Berkmann Wine Cellars is the largest family-owned and family-run wine importer in the UK. Selling wine to restaurants since 1964 with an expertise that has grown organically alongside its outstanding portfolio, the organisation provides support, advice and bespoke training to help restaurants, gastropubs, hotels and bars provide an unbeatable wine experience for their customers.

From our origins in the restaurant business, our scale and reach now extends across all trade channels, bringing renowned Berkmann service and on-trade flair into the retail environment. Berkmann remains consistent in its approach to both the customers we supply and the producers we represent: to foster proactive, long-term partnerships and create sustainable, mutual success.

Business review

The UK wine market is a challenging environment. Last financial year presented numerous socio-economic challenges, in addition to the day-to-day task of conducting business in a very competitive sector.

For the second time in 12-months, Brexit uncertainty undermined business confidence and weakened a fluctuating pound, suppressing organic growth and placing pressure on cost to serve.

This was swiftly followed by the start of the Covid-19 pandemic, which impacted upon trading, especially after the UK Government initiated a nationwide lockdown, which effectively closed the hospitality sector, the core of Berkmann's business.

Our October 19 Brexit strategy was already well-rehearsed after February 19, protect our customer base from the worst of the variances and provide continuity of service. This was made possible by undertaking a second significant stock build to counter the much publicised logistical and administrative hurdles that a hard Brexit could potentially cause.

Despite no such rehearsal for Covid-19, when the pandemic struck the organisation moved promptly and decisively to reduce unnecessary cost, through the rapid introduction of Government furlough support, necessary restructuring and an astute contingency planning for bad debt. The business looked to strengthen penetration in hitherto non-core channels to support revenue streams, broadening its corporate awareness in the independent off-trade sector where our agency brands have relevance. Also, Berkmann ventured into e-commerce for the first time, activating a positive viral campaign for private client sales that simultaneously supported our customers and the wider industry. This B2C initiative called 'Help 4 Hospitality' garnered much trade acclaim and won us a special award: The IWSC Lockdown Legends.

Despite the unparalleled market conditions, we still managed to grow sales by 2.7% to £78m. This year was effectively a performance based upon a single-minded focus on quality, service levels and delivering value, Berkmann continues to define a widening differential vs its competitor set, a point reinforced by investments in its marketing and fine wine capability to improve value-add, inspire new customers and attract likeminded talent and producers to the business.

By continuing to invest, despite market adversity, Berkmann has made significant strides to increase market relevance and meet future challenges with confidence.

Two accounting adjustments affected our reported profit this year. First, linked to our commitment to ensure continuity of pricing to customers, we entered several currency contracts prior to the year-end to hedge our currency exposure. At the year-end, this led us to book a fair value gain on open contracts of £214k (2019 - £254k loss). Secondly, after a successful En Primeur campaign, we deferred Gross Profit of £167k (2019 - £282k) into next year.

BERKMANN FAMILY HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties

The execution of the group's strategies is subject to a number of risks including competition, stock availability, foreign exchange movements, employee retention and the challenging economic conditions.

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business, other than those disclosed above.

Financial risk management objectives and policies

The financial risk management objectives of the group are set by the board of directors with a view to minimising its exposure to price risk, credit risk, liquidity risk and cash flow risk. The use of forward foreign exchange contracts is considered to mitigate risks, subject to strict control of exposures.

Directors' statement of compliance with duty to promote the success of the Group

As the largest family-run wine importer in the UK, we have the benefit of being able make decisions with a long-term view, thereby promoting success in a sustainable and ongoing manner. We recognise though that our current and future success is dependent upon building and maintaining relationships with all our stakeholders, who include:

Employees

Our greatest asset, successfully maintaining this relationship is the foundation on which our success is built. We ensure employees understand our values and strategy by hosting all new starters to a full-day induction with leaders from across the organisation. We have a flat corporate structure allowing excellent communication through all levels of management. We also ensure that 'People' is a regular topic at Board Meetings and are at the forefront of the Board's mind.

Customers

We aim to foster proactive, long-term partnerships and create sustainable mutual success with our customers. Our origins are in the restaurant business, so we understand and can provide all the support and service our customers need. We have many customers that we have worked with successfully for more than two decades.

Suppliers

The wineries we represent are just like us, progressive and fiercely independent. Many are family-run and hold the same core values that we do. We regularly meet and speak with our suppliers to both inform them of our progress as well as listening to their feedback and advice. As with our customers, we have strong and mutually beneficial relationships with numerous of our suppliers dating back to the 1990s.

Community and The Environment

As a distributor, a large part of our environmental impact is the importing and subsequent delivery of wines. We have worked to optimise our supply chain to minimise the number of shipments we make, and our delivery vehicles meet exacting EU emissions standards. We have also been recognised with The Greenmark Level 1 certification, an internationally recognised environmental accreditation.

BERKMANN FAMILY HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

This report was approved by the board on 18 December 2020

and signed on its behalf.



R A Berkmann
Director

BERKMANN FAMILY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKMANN FAMILY HOLDINGS LIMITED

Opinion

We have audited the financial statements of Berkmann Family Holdings Limited (the 'company') for the year ended 31 March 2020 which comprise the Group Statement of other comprehensive income, Group and Company Balance sheets, Group and Company Statement of changes in equity, Group Statement of cash flows and the 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 FRS 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 2020 and of the Group's 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 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.

Emphasis of matter - impact of COVID-19

We draw attention to note 1.3 to the financial statements which details the impact of COVID-19 on the group. Our opinion is not modified in respect of this matter.

BERKMANN FAMILY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKMANN FAMILY HOLDINGS LIMITED (CONTINUED)

Other information

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

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 directors' responsibilities statement set out on page 1, 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 of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

BERKMANN FAMILY HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKMANN FAMILY HOLDINGS LIMITED
(CONTINUED)**

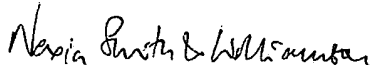
Auditor's responsibilities for the audit of the financial statements

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 on the Financial Reporting Council's website at: 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.



Carl Deane (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants & Statutory Auditor

Portwall Place

Portwall Lane

Bristol

BS1 6NA

Date: 18 December 2020

BERKMANN FAMILY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

| | Note | 2020 £ | 2019 £ |
|---|------|-------------------|-------------------|
| Turnover | 3 | 78,388,250 | 76,337,029 |
| Cost of sales | | (62,365,110) | (61,458,935) |
| Gross profit | | 16,023,140 | 14,878,094 |
| Administrative expenses | | (14,422,657) | (13,457,940) |
| Operating profit | 4 | 1,600,483 | 1,420,154 |
| Investment impairments | | (200,000) | - |
| Interest payable and expenses | 7 | (6,253) | (23,596) |
| Profit before taxation | | 1,394,230 | 1,396,558 |
| Tax on profit | 8 | (335,229) | (265,880) |
| Profit and total comprehensive income for the financial year | | 1,059,001 | 1,130,678 |
| Profit for the year attributable to: | | | |
| Non-controlling interests | | 17,160 | 18,231 |
| Owners of the parent Company | | 1,041,841 | 1,112,447 |
| | | 1,059,001 | 1,130,678 |

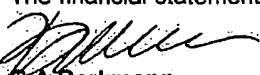
The notes on pages 17 to 34 form part of these financial statements.

BERKMANN FAMILY HOLDINGS LIMITED
REGISTERED NUMBER: 00790103

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Intangible assets | 9 | 20,676 | 29,579 |
| Tangible assets | 10 | 4,661,816 | 4,496,776 |
| Investments | 11 | 50,000 | 250,000 |
| | | <u>4,732,492</u> | <u>4,776,355</u> |
| Current assets | | | |
| Stocks | 12 | 12,915,202 | 14,295,052 |
| Debtors: amounts falling due within one year | 13 | 14,796,198 | 16,388,285 |
| Cash at bank and in hand | 14 | 800,007 | 618,398 |
| | | <u>28,511,407</u> | <u>31,301,735</u> |
| Creditors: amounts falling due within one year | 15 | (19,975,677) | (23,550,511) |
| Net current assets | | <u>8,535,730</u> | <u>7,751,224</u> |
| Total assets less current liabilities | | <u>13,268,222</u> | <u>12,527,579</u> |
| Creditors: amounts falling due after more than one year | | (826,550) | (991,550) |
| Provisions for liabilities | | | |
| Deferred taxation | 18 | (172,739) | (110,097) |
| Net assets | | <u><u>12,268,933</u></u> | <u><u>11,425,932</u></u> |
| Capital and reserves | | | |
| Called up share capital | 19 | 1,000,000 | 1,000,000 |
| Other reserves | 20 | 147,936 | 147,936 |
| Profit and loss account | 20 | 10,910,387 | 10,081,046 |
| Equity attributable to owners of the parent Company | | <u>12,058,323</u> | <u>11,228,982</u> |
| Non-controlling interests | | 210,610 | 196,950 |
| | | <u><u>12,268,933</u></u> | <u><u>11,425,932</u></u> |

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


R A Berkmann
 Director

18 December 2020

The notes on pages 17 to 34 form part of these financial statements.

BERKMANN FAMILY HOLDINGS LIMITED
REGISTERED NUMBER: 00790103

COMPANY BALANCE SHEET
AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 52,042 | 52,042 |
| Investments | 11 | 2,711,481 | 2,711,481 |
| | | <u>2,763,523</u> | <u>2,763,523</u> |
| Creditors: amounts falling due within one year | 15 | (1,000,644) | (1,000,644) |
| Net current liabilities | | <u>(1,000,644)</u> | <u>(1,000,644)</u> |
| Total assets less current liabilities | | <u>1,762,879</u> | <u>1,762,879</u> |
| Net assets | | <u>1,762,879</u> | <u>1,762,879</u> |
| Capital and reserves | | | |
| Called up share capital | 19 | 1,000,000 | 1,000,000 |
| Other reserves | 20 | 210,490 | 210,490 |
| Profit and loss account | 20 | 552,389 | 552,389 |
| | | <u>1,762,879</u> | <u>1,762,879</u> |

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

18 December 2020


R A Berkmann
 Director

The notes on pages 17 to 34 form part of these financial statements.

BERKMANN FAMILY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

| | Called up share capital £ | Other reserves £ | Profit and loss account £ | Equity attributable to owners of parent Company £ | Non- controlling interests £ | Total equity £ |
|--------------------------------------|---------------------------------|------------------------|---------------------------------|--|---------------------------------------|-------------------|
| At 1 April 2018 | 1,000,000 | 147,936 | 9,164,037 | 10,311,973 | 234,281 | 10,546,254 |
| Profit for the year | - | - | 1,112,447 | 1,112,447 | 18,231 | 1,130,678 |
| Purchase of non-controlling interest | - | - | 17,062 | 17,062 | (62,062) | (36,000) |
| Dividends: Equity capital | - | - | (212,500) | (212,500) | (3,600) | (216,000) |
| At 1 April 2019 | 1,000,000 | 147,936 | 10,081,046 | 11,228,982 | 196,950 | 11,425,932 |
| Profit for the year | - | - | 1,041,841 | 1,041,841 | 17,160 | 1,059,001 |
| Dividends: Equity capital | - | - | (212,500) | (212,500) | (3,600) | (216,000) |
| At 31 March 2020 | 1,000,000 | 147,936 | 10,910,387 | 12,068,323 | 210,610 | 12,268,933 |

The notes on pages 17 to 34 form part of these financial statements.

BERKMANN FAMILY HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

| | Called up share capital | Other reserves | Profit and loss account | Total equity |
|---------------------------|------------------------------------|---------------------------|------------------------------------|---------------------|
| | £ | £ | £ | £ |
| At 1 April 2018 | 1,000,000 | 210,490 | 552,389 | 1,762,879 |
| Profit for the year | - | - | 212,500 | 212,500 |
| Dividends: Equity capital | - | - | (212,500) | (212,500) |
| At 1 April 2019 | 1,000,000 | 210,490 | 552,389 | 1,762,879 |
| Profit for the year | - | - | 212,500 | 212,500 |
| Dividends: Equity capital | - | - | (212,500) | (212,500) |
| At 31 March 2020 | 1,000,000 | 210,490 | 552,389 | 1,762,879 |

The notes on pages 17 to 34 form part of these financial statements.

BERKMANN FAMILY HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

| | 2020 £ | 2019 £ |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 1,059,001 | 1,130,678 |
| Adjustments for: | | |
| Amortisation of intangible assets | 3,919 | (757) |
| Depreciation of tangible assets | 216,388 | 187,927 |
| Impairments of investments | 200,000 | - |
| Interest paid | 6,253 | 23,596 |
| Taxation charge | 335,229 | 265,880 |
| Decrease/(increase) in stocks | 1,379,850 | (4,012,150) |
| Decrease/(increase) in debtors | 1,813,185 | (2,945,803) |
| (Decrease)/increase in creditors | (2,747,525) | 5,129,639 |
| Net fair value (gains)/losses recognised in P&L | (214,868) | 254,089 |
| Corporation tax paid | (293,004) | (354,500) |
| Net cash generated from operating activities | 1,758,428 | (321,401) |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | - | (2,865) |
| Purchase of tangible fixed assets | (382,674) | (272,153) |
| Purchase of non-controlling interest | - | (35,000) |
| Net cash from investing activities | (382,674) | (310,018) |
| Cash flows from financing activities | | |
| Repayment of loans | (165,000) | (122,200) |
| Dividends paid | (171,250) | (212,500) |
| Non controlling interest dividends paid | (3,500) | (3,500) |
| Interest paid | (6,253) | (23,596) |
| Net cash used in financing activities | (346,003) | (361,796) |
| Net increase/(decrease) in cash and cash equivalents | 1,029,751 | (993,215) |
| Cash and cash equivalents at beginning of year | (6,764,871) | (5,771,656) |
| Cash and cash equivalents at the end of year | (5,735,120) | (6,764,871) |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 800,007 | 618,398 |
| Bank overdrafts | (6,535,127) | (7,383,269) |

BERKMANN FAMILY HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

| | At 1 April 2019 £ | Cash flows £ | Other non- cash changes £ | At 31 March 2020 £ |
|--------------------------|-------------------------|------------------|------------------------------------|--------------------------|
| Cash at bank and in hand | 618,398 | 181,609 | - | 800,007 |
| Bank overdrafts | (7,383,269) | 848,142 | - | (6,535,127) |
| Debt due after 1 year | (991,550) | - | 165,000 | (826,550) |
| Debt due within 1 year | (165,000) | 165,000 | (165,000) | (165,000) |
| | <u>(7,921,421)</u> | <u>1,194,751</u> | <u>-</u> | <u>(6,726,670)</u> |

The notes on pages 17 to 34 form part of these financial statements.

BERKMANN FAMILY HOLDINGS LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

Berkmann Family Holdings Limited is a private limited company incorporated in England and Wales. The address of the registered office is 10-12 Brewery Road, London, N7 9NH.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The results of subsidiary Berkmann Wine Cellars Do Brasil Ltda are immaterial to the group and therefore have not been included in the consolidation.

1.3 Going concern

The trading results of the group have suffered significantly since the year end as a direct result of COVID-19. While revenues have declined significantly, the impact on bottom line has been partially mitigated by the implementation of cost saving measures and utilisation of the furlough scheme. The liquidity of the group has also been protected through VAT, duty and payroll tax deferrals in addition to the drawdown of a £4.1m CLBILS facility through the group's primary lender.

Through the preparation of detailed cash flow forecasts which take into account the actions noted above, the directors are confident that the group has adequate available resources to continue in operation for the foreseeable future. The group is reliant on an invoice discounting facility which is due for renewal in early 2021. Given the ongoing support of the group's primary lender, the directors have a reasonable expectation that the facility will be renewed on similar terms to those currently in place.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue due from En Primeur Sales to customers is recognised when the wine is made available to the customer. If this is in the subsequent year, the revenue is treated as deferred income on the balance sheet and the associated cost is accounted for as a supplier prepayment. At the point of availability, these balances are released to the profit and loss account.

BERKMANN FAMILY HOLDINGS LIMITED

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

1. Accounting policies (continued)

1.5 Intangible assets

Goodwill arising on company acquisitions made after 1 January 1998 is capitalised and amortised over its estimated useful life of up to 20 years.

Negative goodwill arising on the acquisition of Churchill Vintners Limited relates to the surplus of the fair value of assets acquired in excess of the purchase price. Negative goodwill is amortised through the Consolidated Statement of Comprehensive Income over its estimated useful economic life as defined above.

Trademarks are stated at cost and amortised in equal annual instalments over their estimated useful economic lives of 10 years.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|------------------------|
| L/Term Leasehold Property | - over term of lease |
| Plant and equipment | - 10-25% straight line |
| Fixtures, fittings and office equipment | - 10% straight line |

Works of art are not being depreciated in the financial statements. In the opinion of the directors, the useful economic life of these assets is so long that any depreciation charge would be insignificant. Regular impairment reviews are carried out on these assets and should any impairment in value occur, full provision will be made in the financial statements.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost represents purchase cost, inclusive of import duties, freight and handling charges where appropriate.

1.8 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company/group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company/group will not be able to collect all amounts due.

BERKMANN FAMILY HOLDINGS LIMITED

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

1. Accounting policies (continued)

1.8 Financial instruments (continued)

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and an invoice financing facility which is an integral part of the company/group's cash management.

Where material, derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, with changes in fair value recognised in profit or loss.

Financial liabilities and equity instruments issued by the company/group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company/group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

1.9 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

1.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.11 Dividends

Equity dividends are recognised when they become legally payable.

1.12 Operating leases: the Group as lessee

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

BERKMANN FAMILY HOLDINGS LIMITED

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

1. Accounting policies (continued)

1.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 balance sheet date in the countries where the Company and the Group operate and generate income.

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

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BERKMANN FAMILY HOLDINGS LIMITED

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

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the Accounts in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. The areas where the most judgement is required are highlighted below:

Impairment of Assets

Property, plant and equipment are reviewed for impairment where events or changes in circumstance indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations driven by assumptions and estimates surrounding future performance.

Stock Valuation

Stock is valued at the lower of cost and net realisable value. Where stock is considered to be impaired, it is written down to net realisable value which requires management to make an assessment of the projected retail value of that item together with the costs expected to be incurred in achieving the sale.

Debtor Valuation

Trade debtors are assessed periodically by management for recoverability. Where a debtor balance is not considered recoverable in full, an estimate of the projected recovery is required.

3. Turnover

The whole of the turnover is attributable to the principal activity of the group.

In the directors' opinion, disclosure of the geographical analysis of turnover would be prejudicial to the group's interests and has therefore been omitted.

4. Operating profit

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

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Depreciation - tangible fixed assets | 216,388 | 187,927 |
| Amortisation - intangible fixed assets | 3,919 | (757) |
| Difference on foreign exchange | (501,461) | (112,095) |
| Auditors' remuneration | 35,000 | 33,400 |
| Auditors' remuneration - non-audit | 19,400 | 13,985 |
| Operating lease payments: | | |
| - Vehicles | 455,396 | 451,473 |
| - other | 9,147 | 38,084 |
| - land & buildings | 273,197 | 355,060 |

BERKMANN FAMILY HOLDINGS LIMITED

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

5. Employees

Staff costs, including Directors' remuneration, were as follows:

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries | 8,916,437 | 8,174,278 | - | - |
| Social security costs | 877,210 | 730,620 | - | - |
| Cost of defined contribution scheme | 289,240 | 283,986 | - | - |
| | 10,082,887 | 9,188,884 | - | - |

The average monthly number of employees, including the Directors, during the year was as follows:

| | 2020 No. | 2019 No. |
|------------------------|---------------------|---------------------|
| Sales and distribution | 207 | 197 |

The Company has no employees other than the Directors, who did not receive any remuneration (2019 - £NIL)

6. Directors' remuneration

| | 2020 £ | 2019 £ |
|-----------------------|-------------------|-------------------|
| Directors' emoluments | 1,182,475 | 709,878 |

The highest paid Director received remuneration of £486,433 (2019 - £208,516).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2019 - £NIL).

During the year, key management personnel received compensation, including social security and pension contributions of £2,441,062 (2019 - £1,936,953).

7. Interest payable

| | 2020 £ | 2019 £ |
|-----------------------|-------------------|-------------------|
| Bank interest payable | 6,253 | 23,596 |

BERKMANN FAMILY HOLDINGS LIMITED

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

8. Taxation

| | 2020 £ | 2019 £ |
|--|-----------------------|-----------------------|
| Corporation tax | | |
| Current tax on profits for the year | 261,717 | 235,694 |
| Adjustments in respect of previous periods | 10,870 | - |
| Total current tax | <u>272,587</u> | <u>235,694</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 50,218 | 31,886 |
| Changes to tax rates | 12,424 | (1,700) |
| Total deferred tax | <u>62,642</u> | <u>30,186</u> |
| Taxation on profit on ordinary activities | <u><u>335,229</u></u> | <u><u>265,880</u></u> |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | 2020 £ | 2019 £ |
|--|-----------------------|-----------------------|
| Profit on ordinary activities before tax | <u>1,394,230</u> | <u>1,396,558</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | 264,904 | 265,346 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 62,136 | 15,721 |
| Fixed asset differences | (10,610) | (11,662) |
| Adjustments to tax charge in respect of prior periods | 10,870 | - |
| Other differences leading to a decrease in the tax charge | (4,495) | (3,525) |
| Remeasurement of deferred tax for change in tax rates | 12,424 | - |
| Total tax charge for the year | <u><u>335,229</u></u> | <u><u>265,880</u></u> |

Factors that may affect future tax charges

The main rate of corporation tax is expected to remain unchanged.

BERKMANN FAMILY HOLDINGS LIMITED

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

9. Intangible assets

Group

| | Patents £ | Goodwill £ | Negative goodwill £ | Total £ |
|-------------------------------------|--------------|---------------|---------------------------|------------|
| Cost | | | | |
| At 1 April 2019 | 84,850 | 833,740 | (88,040) | 830,550 |
| Disposals | (7,870) | - | - | (7,870) |
| At 31 March 2020 | 76,980 | 833,740 | (88,040) | 822,680 |
| Amortisation | | | | |
| At 1 April 2019 | 55,271 | 833,740 | (88,040) | 800,971 |
| Charge for the year on owned assets | 3,919 | - | - | 3,919 |
| On disposals | (2,886) | - | - | (2,886) |
| At 31 March 2020 | 56,304 | 833,740 | (88,040) | 802,004 |
| Net book value | | | | |
| At 31 March 2020 | 20,676 | - | - | 20,676 |
| At 31 March 2019 | 29,579 | - | - | 29,579 |

BERKMANN FAMILY HOLDINGS LIMITED

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

10. Tangible fixed assets

Group

| | L/Term Leasehold Property £ | Plant & machinery £ | Furniture, fittings and office equipment £ | Works of art £ | Total £ |
|-------------------------------------|--|--|---|-------------------------------|--------------------|
| Cost or valuation | | | | | |
| At 1 April 2019 | 3,799,758 | 1,008,300 | 263,346 | 59,500 | 5,130,904 |
| Additions | - | 215,773 | 157,151 | 9,750 | 382,674 |
| Disposals | - | (1,675) | - | - | (1,675) |
| At 31 March 2020 | 3,799,758 | 1,222,398 | 420,497 | 69,250 | 5,511,903 |
| Depreciation | | | | | |
| At 1 April 2019 | 220,522 | 335,842 | 77,764 | - | 634,128 |
| Charge for the year on owned assets | 67,852 | 128,531 | 20,005 | - | 216,388 |
| Disposals | - | (429) | - | - | (429) |
| At 31 March 2020 | 288,374 | 463,944 | 97,769 | - | 850,087 |
| Net book value | | | | | |
| At 31 March 2020 | 3,511,384 | 758,454 | 322,728 | 69,250 | 4,661,816 |
| At 31 March 2019 | 3,579,236 | 672,458 | 185,582 | 59,500 | 4,496,776 |

BERKMANN FAMILY HOLDINGS LIMITED

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

10. Tangible fixed assets (continued)

Company

| | Plant & machinery £ |
|--------------------------------|--|
| Cost and net book value | |
| At 1 April 2019 | 52,042 |
| At 31 March 2020 | 52,042 |
| Net book value | |
| At 31 March 2020 | 52,042 |
| At 31 March 2019 | 52,042 |

BERKMANN FAMILY HOLDINGS LIMITED

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

11. Investments

Group

| | Unlisted investments £ |
|--------------------------|---------------------------------------|
| Cost or valuation | |
| At 1 April 2019 | 250,000 |
| At 31 March 2020 | 250,000 |
| Impairment | |
| Charge for the period | 200,000 |
| At 31 March 2020 | 200,000 |
| Net book value | |
| At 31 March 2020 | 50,000 |
| At 31 March 2019 | 250,000 |

Company

| | Investments in subsidiary companies £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 April 2019 | 2,711,481 |
| At 31 March 2020 | 2,711,481 |
| Net book value | |
| At 31 March 2020 | 2,711,481 |
| At 31 March 2019 | 2,711,481 |

BERKMANN FAMILY HOLDINGS LIMITED

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

11. Investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Principal activity | Class of shares | Holding |
|--------------------------------------|----------------------------|------------------------|----------------|
| Berkmann Wine Cellars Limited | Wine merchant and importer | Ordinary | 98.38% |
| T.M. Robertson & Son Limited | Dormant | Ordinary | 100% |
| Churchill Vintners Limited | Dormant | Ordinary | 100% |
| Spirit Cartel Limited | Dormant | Ordinary | 100% |
| Berkmann Wine Cellars Do Brasil Ltda | Wine merchant and importer | Ordinary | 95% |

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking not subject to consolidation were as follows:

| Name | Aggregate of share capital and reserves | Loss |
|--------------------------------------|--|------------------|
| Berkmann Wine Cellars Do Brasil Ltda | (386,376) | (250,370) |

12. Stocks

| | Group 2020 £ | Group 2019 £ |
|------------------|-----------------------------|-----------------------------|
| Goods for resale | 12,915,202 | 14,295,052 |

BERKMANN FAMILY HOLDINGS LIMITED

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

13. Debtors

| | Group 2020 £ | Group 2019 £ |
|------------------------------------|-----------------------------|-----------------------------|
| Trade debtors | 11,305,677 | 12,903,340 |
| Amounts owed by group undertakings | 1,399,296 | 1,292,066 |
| Other debtors | 1,466,242 | 1,118,804 |
| Prepayments and accrued income | 624,983 | 1,074,075 |
| | <u>14,796,198</u> | <u>16,388,285</u> |

14. Cash and cash equivalents

| | Group 2020 £ | Group 2019 £ |
|--------------------------|-----------------------------|-----------------------------|
| Cash at bank and in hand | 800,007 | 618,398 |
| Less: bank overdrafts | (6,535,127) | (7,383,269) |
| | <u>(5,735,120)</u> | <u>(6,764,871)</u> |

BERKMANN FAMILY HOLDINGS LIMITED

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

15. Creditors: Amounts falling due within one year

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank overdrafts | 6,535,127 | 7,383,269 | - | - |
| Bank loans | 165,000 | 165,000 | - | - |
| Trade creditors | 9,660,910 | 11,841,429 | - | - |
| Amounts owed to group undertakings | - | - | 1,000,644 | 1,000,644 |
| Corporation tax | 23,787 | 44,204 | - | - |
| Other taxation and social security | 1,610,029 | 1,220,896 | - | - |
| Other creditors | 38,937 | 1,415 | - | - |
| Accruals and deferred income | 1,941,887 | 2,640,209 | - | - |
| Financial instruments | - | 254,089 | - | - |
| | <u>19,975,677</u> | <u>23,550,511</u> | <u>1,000,644</u> | <u>1,000,644</u> |

Bank loans and overdrafts are secured by fixed and floating charges over all assets of the group, a legal assignement of contract monies and a legal mortgage over the long term leasehold property.

The group was party to 26 (2019 - 4) forward exchange rate contracts at the year end. The fair value of these contracts at 31 March 2020 has been determined by the bank using a Monte Carlo valuation model. The derivative asset at 31 March 2020 totalled £214,868 and is reflected in other debtors (2019 - liability of £254,089).

16. Loans

An analysis of the maturity of loans is given below:

| | Group 2020 £ | Group 2019 £ |
|--|--------------------|--------------------|
| Amounts falling due within one year | | |
| Bank loans | 165,000 | 165,000 |
| Amounts falling due 2-5 years | | |
| Bank loans | 826,550 | 991,550 |
| | <u>991,550</u> | <u>1,156,550</u> |

BERKMANN FAMILY HOLDINGS LIMITED

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

17. Financial instruments

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--|---------------------|---------------------|----------------------|----------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | 1,064,875 | 868,398 | - | - |
| Financial assets that are debt instruments measured at amortised cost | 13,956,347 | 15,314,210 | - | - |
| | <u>15,021,222</u> | <u>16,182,608</u> | <u>-</u> | <u>-</u> |
| Financial liabilities | | | | |
| Derivative financial instruments measured at fair value through profit or loss | - | (254,089) | - | - |
| Financial liabilities measured at amortised cost | (18,745,542) | (22,236,216) | (1,000,644) | (1,000,644) |
| | <u>(18,745,542)</u> | <u>(22,490,305)</u> | <u>(1,000,644)</u> | <u>(1,000,644)</u> |

18. Deferred taxation

Group

| | 2020 £ | 2019 £ |
|-----------------------|------------------|------------------|
| At beginning of year | (110,097) | (79,911) |
| Charge for the year | (62,642) | (30,186) |
| At end of year | <u>(172,739)</u> | <u>(110,097)</u> |

The provision for deferred taxation is made up as follows:

| | Group 2020 £ | Group 2019 £ |
|-------------------------------|--------------------|--------------------|
| Fixed asset differences | (177,578) | (115,374) |
| Short term timing differences | 4,839 | 5,277 |
| | <u>(172,739)</u> | <u>(110,097)</u> |

BERKMANN FAMILY HOLDINGS LIMITED

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

19. Share capital

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Allotted, called up and fully paid | | |
| 1,000,000 (2019 - 1,000,000) Ordinary shares of £1.00 each | <u>1,000,000</u> | <u>1,000,000</u> |

20. Reserves

Other reserves

Other reserves relates to goodwill previously accounted for in reserves.

Profit & loss account

This reserve represents accumulated profit and losses less amounts distributed to shareholders or capitalised via a bonus issue of shares in the prior year.

21. Contingent liabilities

The group has a guarantee in favour of HM Customs and Excise which varies according to seasonal requirements. At 31 March 2019 this guarantee stood at £3,194,000 (2019 - £3,194,000).

22. Pension commitments

The pension cost charge represents contributions payable by the group to the fund and amounted to £289,240 (2019 - £283,986). Contributions totalling £57,152 (2019 - £47,846) were payable to the fund at the Balance Sheet date.

BERKMANN FAMILY HOLDINGS LIMITED

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

23. Commitments under operating leases

At 31 March 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2020 £ | Group 2019 £ |
|--|-----------------------------|-----------------------------|
| Land and building | | |
| Not later than 1 year | 115,125 | 160,500 |
| Later than 1 year and not later than 5 years | 444,000 | 452,250 |
| Later than 5 years | 5,078,250 | 5,189,250 |
| | <u>5,637,375</u> | <u>5,802,000</u> |
| | Group 2020 £ | Group 2019 £ |
| Other | | |
| Not later than 1 year | 329,282 | 391,172 |
| Later than 1 year and not later than 5 years | 209,955 | 323,607 |
| | <u>539,237</u> | <u>714,779</u> |

The company had no commitments under operating leases at year end

BERKMANN FAMILY HOLDINGS LIMITED

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

24. Related party transactions

Group

At 31 March 2020, £477,473 (2019: £391,244) was due from Latin American Rum Traders SA, the ultimate parent company, in respect of a loans advanced. Interest of £13,229 (2019: £1,244) was charged on this loan during the year.

During the year ended 31 March 2020, sales of £171,741 (2019: £362,544) were made to companies related to the Group via common directorships. At 31 March 2020, the company was owed £15,605 (2019: £44,959) by these companies.

During the year ended 31 March 2020, £108,537 (2019: £367,104) of sales were made to Berkmann Wine Cellars Do Brasil Ltda. At the year end £1,314,296 (2019: £1,292,066) was owed to the group in respect of these transactions. A loan of £85,000 was also advanced to this company during the year and remained outstanding at 31 March 2020.

At 31 March 2020, £66,637 (2019: £211,190) was due from directors of the Holding company in respect of short term loans and expenses incurred by this company on the directors' behalf.

Company

At 31 March 2020, the company owed £1,000,644 (2019: £1,000,644) to Berkmann Wine Cellars Limited in respect of monies paid on its behalf.

25. Post balance sheet events

COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. This has significantly impacted the performance of the group in the post year period. Further detail on the impact of this pandemic is provided in note 1.3.

26. Controlling party

The ultimate parent company is Latin American Rum Traders SA, a company incorporated in Panama. Accounts for the ultimate parent company are not available.

Rupert Berkmann is the ultimate controlling party.