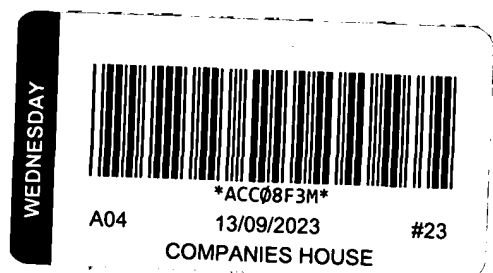


**COMPANY REGISTRATION NUMBER 01071904**

**ENOTRIA WINECELLARS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2022**



**Enotria Winecellars Limited**  
**Annual report and financial statements**  
**31 December 2022**

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**Enotria Winecellars Limited**  
**Annual report and financial statements**  
**31 December 2022**

**COMPANY INFORMATION**

<b>Company registration number</b>	01071904
<b>Directors</b>	T Christensen
<b>Secretary</b>	M Gay
<b>Registered office</b>	23 Cumberland Avenue London NW10 7RX
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL

**Enotria Winecellars Limited**  
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**31 December 2022**

**Strategic report**

**Principal activities**

The principal activity of the Company during the year was the importation and distribution of wine and spirits. The Company is focused on sales and marketing of wine and spirits to the On-Trade, including catering, hotels, restaurants, and bars, and to the Off-Trade channels in the United Kingdom. The Company also owns a specialist wine retail outlet, sells wine and spirits directly to consumers through a B2C web platform, sells wine directly to private clients and provides fulfilment services to wine and spirits web platforms.

**Market Conditions**

The UK emerged from Covid restrictions in 2022 and Enotria saw substantial growth with sales increasing by 34.8% from 2021. This increased despite a slow start to the year as the UK entered restricted trading conditions due to the Omicron outbreak in December 2021. Inflation was increasing steadily in 2022 due to post-Covid supply chain shock which was exacerbated by the Russian / Ukrainian conflict. Enotria & Coe (E&C) experienced substantial cost increases across product, supply chains and general wages due to resource shortages. The business passed along a large cost increase to recoup the inflationary impact which was generally accepted across the market. On trade gross margin percentage was 150 bps higher than prior year and the total business saw gross margin percentage increase by 220 bps. Unfortunately, this increased margin was to offset inflation and overhead increases. Overhead and operations costs were much higher than prior year due to inefficiencies created by broken global supply chains, inflation, and human resource shortages. Costs and supply chains have normalised, and we expect opportunities for a better cost profile in 2023. Unfortunately, Union rail strikes in December 2022 negatively impacted hospitality, especially in city centres. These strikes tempered sales in the most important month of hospitality sales.

**Review of business and outlook**

The business is focused to drive efficiency in the context of inflation and recessionary pressure in the UK.

- Post Covid has changed UK supply chains and E&C is exiting a number of unprofitable customers.
- The business will improve category focus leading with premium wine and spirits.
- A clearer and simpler account focus allows the business to reduce costs now that supply chains have normalised.

The business earned an EBITDA of £1.1m (2021: £0.5m loss) despite the December rail strikes and inflation. The

business is forecasting growth in premium on trade accounts, which will eliminate loss making accounts and ensure the organisation is operating efficiently which will enable significant cost savings in the future.

	2022 (£m)	2021 (£m)	Var (£m)
<i>Volume - 9L cases (millions)</i>	2.8	2.5	0.3
Turnover	189.0	140.2	48.8
Gross profit	25.4	16.8	8.6
Admin expenses	(24.3)	(17.3)	(7.0)
<b>Operating profit/(loss)</b>	<b>1.1</b>	<b>(0.5)</b>	<b>1.6</b>
Non-underlying expenses	-	0.6	(0.6)
<b>Underlying EBITDA</b>	<b>1.1</b>	<b>0.1</b>	<b>1.0</b>

There are a number of non-trading and non-cash items charged in the P&L (such as amortisation of intangibles and depreciation) which adversely impact EBIT but have no bearing on liquidity.

**Enotria Winecellars Limited**  
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**Strategic report (cont)**

**Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate, for the following reasons.

The business experienced significant growth in 2022 as well as significantly improved margins. However, post-Covid supply chains, inflation and resource shortages negatively impacted operational and overhead efficiency reducing EBITDA below expected levels. There was also an impact on one of our distribution channels post-Covid which is driving some business into a loss position. This channel will be exited in 2023 and existing pipeline should quickly recover this loss-making business with more profitable wine-led accounts. In 2023, we may see smaller sales than 2022, but much improved EBITDA margin.

There were significant challenges in global supply chains post-Covid requiring the business to purchase stock early and have more floor stock on hand, without commensurate supplier credit extension which negatively impacted cash flow. The business usually passes one price increase through per year. Inflation meant that suppliers were continuously passing cost increases along which Enotria passed to their customers. This irregular process meant there was substantially more pricing challenges from customers delaying cash payment and increasing debtor days also negatively impacting cash. Most of these unprecedented factors have abated and we expect operating cash flow to improve dramatically in 2023 and beyond.

The Company has an asset-based lending (ABL) facility of up to £30m; the business operated with satisfactory headroom in the year and forecast reduced requirements in 2023 and beyond due to positive operational cash flow reversing post-Covid requirements. The Company was in a position to return £2m of the Covid loan provided by its shareholder. There are financial covenants attached to the external financing which the Company was in full compliance with as of 31 December 2022.

The Company has undertaken a detailed going concern assessment, reviewing its current and projected financial performance and position, including current assets and liabilities, debt maturity profile, future commitments and forecast cash flows. The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least 12 months from the date of approval of these financial statements.

The Board is therefore confident that the Company have adequate resources to continue in operational existence for at least 12 months from the date of signing these accounts, and therefore believe it remains appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**Key Performance Indicators**

Performance management in the Company is through a set of KPIs which are analysed and compared to budget and the previous year. These KPIs include:

KPI	2022	2021	Definition and analysis
Change in Turnover	34.8%	38.8 %	Turnover increased mainly due to no COVID19 restrictions in place and new customer business
Gross margin %	13.4 %	12.0 %	Gross profit margin is calculated as sales less cost of sales, divided by sales. Margin improved due to stronger wine & spirits mix and lower off trade sales
Operating profit/(loss) before restructuring and amortisation costs	£1,118k	(£190k)	Operating profit/(loss) is the business' trading profitability from its core operations continued to show improvement following Covid19.

These KPI's are communicated across the business on a regular basis to anticipate changing trends in the industry.

**Enotria Winecellars Limited**  
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**Strategic report (*cont*)**

**Employee engagement**

Various regular forums are held to communicate and cascade information to the business, this includes business updates and financial reviews through monthly 'town halls', bi-annual conferences, team meetings and information sharing through an employee bulletin. Regular feedback forums where colleagues are encouraged and can provide feedback to our senior management teams are held. The Company engaged with colleagues across the business to update our Company purpose, values and vision at a conference in February 2023 and the annual Company-wide employee survey will continue in 2023.

**Gender Pay Gap**

The Company publishes its gender pay gap reports as required by the Government Equalities Office. Details are publicly available on the website for information.

**Disabled employees**

The Company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their aptitudes and abilities. E&C are proud and stand by the fair treatment and development of all applicants and colleagues regardless of any disability.

**Risks**

The management of the business and the execution of the Company's strategy are subject to several risks. These risks are set out below along with their risk mitigation.

*Customer and Supplier Loss*

The Company has a highly fragmented supplier and customer base across several sales channels. The risk of any single customer or supplier having a material impact on the business is therefore mitigated. The business is constantly upgrading and churning the customer base through new customer acquisition and the reviewing of the portfolio to ensure customers remain attracted and excited by our portfolio.

*Employees*

The Company has enough scale together with systems and processes to not be reliant on any single employee.

*Credit Risk*

The Company has a team of skilled credit controllers who continually assess customer risk and manage trading in line with agreed credit limits. There is an annual credit limit review with authorisation levels up to the Board.

*Liquidity risk*

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally settlement processing obligations and other liabilities (refer to notes 13). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

The Company manages this risk, by monitoring future cash flows together with changes in available liquidity on a regular basis. Senior management is updated on a regular basis on the cash flow position of the Group. The Company financial projections reveal that the financial performance of the Company is expected to improve in the foreseeable future following repayment of the COVID-related deferred HMRC payments in August 2022.

*Interest rate risk*

The financing that is in place is a working capital (ABL) facility with defined rates linked to the Bank Of England (BOE) Base rate. Despite recent increases in the Base Rate the overall cost of borrowing remains at relatively low levels and will not have a significant impact on the business particularly with improving cash flow. The business reviews interest rate hedging options, but inflation is forecasted to decline and interest rates are not forecasted to increase much in the future. The business will continue to monitor and manage this risk.

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**Strategic report (cont)**

*Foreign Exchange risk*

The Company buys and sells in various foreign currencies and is therefore exposed to adverse currency exchange movements. Details of the Company's committed foreign exchange hedging at 31 December are detailed in note 15. The board considers and manages the level of its hedging based on expected future movements in exchange rates.

*Political and Economic Risk*

The period of uncertainty for the UK economy resulting from Brexit and more latterly the conflict in Ukraine, will undoubtedly continue to have implications for the industry. The large inflationary costs driven post-Covid by the Ukrainian conflict is easing. Surplus inventory and high cost of living are reducing demand which is stabilising costs and the operational environment. The premium, events and experiential market is still strong and forms the largest customer base of Enotria. The board are monitoring the situation and working with its suppliers, customers, advisors and financiers to ensure it is best placed to manage the impact of any changes.

**Subsequent Events**

There are no significant or material subsequent events.

**Statement by the directors relating to their statutory duties under s172(1) Companies Act 2006**

The directors consider that they have acted in good faith in the way they consider would be the most likely to promote the success of the Company for the benefit of its members as a whole in the decisions taken during the year. Decisions are made having regard (amongst other matters) to:

- business plans prepared by the directors being based around achieving the long-term goals of the Company;
- engagement with employees and aiming to be a responsible employer, promoting training and development opportunities for all staff;
- fostering the Company's business relationships with suppliers, customers and others, working towards developing long term partnerships creating a consistent premium offering. The Company remains committed to being fair and transparent in our dealings with all of our suppliers;
- the impact of the Company's operations on the community and the environment committing the Company to understanding and minimising the environmental impact of its activities and continually improving its environmental performance as an integral part of its business strategy;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company, (the "s.172(1) Matters"). The Board meet on a regular basis at which they are reminded of the s.172(1) matters.

Registered office:  
23 Cumberland Avenue  
London  
NW10 7RX  
England

By order of the board

*Troy Christensen*

**T Christensen**  
**Director**  
3<sup>rd</sup> July 2023

**Enotria Winecellars Limited**  
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**Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

**Dividends**

No dividend was declared during the year (2021: £nil).

**Directors**

The directors who served the Company during the year and up to the date of signing these financial statements were as follows:

T Christensen

A van der Hoorn (appointed 7 February 2022, resigned 7 February 2022)

**Political Contributions**

There were no political donations made in 2022. (2021: £nil)

**Energy and carbon report**

The Company has taken advantage of the exemption to disclose energy and carbon reporting in its Company statements given they are included in the parent's Group report in the EWGL consolidated accounts.

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Registered office:  
23 Cumberland Avenue  
London  
NW10 7RX  
England

By order of the board

*Troy Christensen*

**T Christensen**  
**Director**

3<sup>rd</sup> July 2023



**Enotria Winecellars Limited**  
**Annual report and financial statements**  
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**Statement of directors' responsibilities in respect of the Annual report and the Financial Statements**

The directors are responsible for preparing the Annual Report and the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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**Annual report and financial statements**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ENOTRIA WINECELLARS LIMITED**

**Opinion**

We have audited the financial statements of Enotria Winecellars Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

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- Enquiring of directors, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no material judgements involved and sales comprise a high number of individually low value transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts impacting revenue and cash.

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, and employment law, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 auditor

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Bethan Telford (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Challenge House  
Sherwood Drive  
Bletchley  
Milton Keynes  
MK3 6DP  
3<sup>rd</sup> July 2023

**Enotria Winecellars Limited**  
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**Profit and loss account and other comprehensive income**  
*for the year ended 31 December 2022*

	<i>Note</i>	<b>2022</b> <b>£000</b>	2021 £000
<b>Turnover</b>	<b>2</b>	<b>189,004</b>	140,159
Cost of sales		<b>(163,624)</b>	(123,266)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>25,380</b>	16,893
Administrative expenses		<b>(24,262)</b>	(17,083)
		<hr/>	<hr/>
<b>Operating profit/(loss) before non-underlying items</b>		<b>1,118</b>	(190)
Restructuring costs		<b>(403)</b>	(313)
Amortisation of goodwill	<b>3,9</b>	<b>(1,450)</b>	(2,134)
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(735)</b>	(2,637)
Interest payable and similar charges	<b>6</b>	<b>(1,202)</b>	(636)
Foreign exchange (loss)/gain		<b>(218)</b>	281
		<hr/>	<hr/>
<b>Loss before taxation</b>		<b>(2,155)</b>	(2,992)
Tax credit on loss on ordinary activities	<b>7</b>	<b>643</b>	2,216
		<hr/>	<hr/>
<b>Loss for the financial year</b>		<b>(1,512)</b>	(776)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>		<b>(1,512)</b>	(776)
		<hr/>	<hr/>

All of the activities of the Company are classed as continuing.

The Company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 15 to 31 form part of these financial statements

**Enotria Winecellars Limited**  
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**Balance sheet**  
*at 31 December 2022*

	Note	2022 £000	2021 £000
<b>FIXED ASSETS</b>			
Tangible assets	8	588	1,061
Intangible assets	9	3,885	5,236
Investments	10	13,278	13,278
		<u>17,751</u>	<u>19,575</u>
<b>CURRENT ASSETS</b>			
Stocks	11	17,495	16,019
Debtors	12	65,024	57,696
Cash at bank and in hand		1,750	651
		<u>84,269</u>	<u>74,366</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(107,378)</u>	<u>(97,787)</u>
<b>NET CURRENT LIABILITIES</b>		<b>(23,109)</b>	<b>(23,421)</b>
<b>NET LIABILITIES</b>		<u><b>(5,358)</b></u>	<u><b>(3,846)</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	20	20
Profit and loss account		(5,378)	(3,866)
		<u><b>(5,358)</b></u>	<u><b>(3,846)</b></u>

These financial statements were approved by the directors on 3<sup>rd</sup> July 2023 and signed on their behalf by:

*Troy Christensen*

T Christensen  
*Director*

Company registered number: 01071904

The notes on pages 15 to 31 form part of these financial statements.

**Enotria Winecellars Limited**  
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**Statement of changes in equity**  
*for the year ended 31 December 2022*

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>1 January 2021</b>	20	(3,090)	(3,070)
Total comprehensive loss for the year	-	(776)	(776)
<b>31 December 2021</b>	<u>20</u>	<u>(3,866)</u>	<u>(3,846)</u>
Total comprehensive loss for the year	-	(1,512)	(1,512)
<b>31 December 2022</b>	<u><u>20</u></u>	<u><u>(5,378)</u></u>	<u><u>(5,358)</u></u>

The notes on pages 15 to 31 form part of these financial statements.



**Enotria Winecellars Limited**  
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**Notes**

*(forming part of the financial statements)*

**1) Principal accounting policies**

**a) General information**

Enotria Winecellars Limited (the 'Company') is a Company limited by shares and incorporated and domiciled in the UK, registration number 01071904, registered address 23 Cumberland Avenue, London, NW10 7RX.

**b) Basis of preparation and statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS102") as issued in August 2014.

The presentation currency of these financial statements is sterling. The functional and presentation currency of the Company is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

The Company's parent undertaking, Enotria Wine Group Limited includes the Company in its consolidated financial statements. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS). The following exemptions available under FRS 102 in respect of certain disclosures for the Company's financial statements have been applied:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the parent Company's financial statements, includes the Company's cash flows.
- From the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement's disclosures.
- From disclosing the Company key management personnel compensation as required by FRS102 paragraph 33.7.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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**c) Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate, for the following reasons.

The business experienced significant growth in 2022 as well as significantly improved margins. However, post-Covid supply chains, inflation and resource shortages negatively impacted operational and overhead efficiency reducing EBITDA below expected levels. There was also an impact on one of our distribution channels post-Covid which is driving some business into a loss position. This channel will be exited in 2023 and existing pipeline should quickly recover this loss-making business with more profitable wine-led accounts. In 2023, we may see smaller sales than 2022, but much improved EBITDA margin.

There were significant challenges in global supply chains post-Covid requiring the business to purchase stock early and have more floor stock on hand, without commensurate supplier credit extension which negatively impacted cash flow. The business usually passes one price increase through per year. Inflation meant that suppliers were continuously passing cost increases along which Enotria passed to their customers. This irregular process meant there was substantially more pricing challenges from customers delaying cash payment and increasing debtor days also negatively impacting cash. Most of these unprecedented factors have abated and we expect operating cash flow to improve dramatically in 2023 and beyond.

The Company has an asset-based lending (ABL) facility of up to £30m; the business operated with satisfactory headroom in the year and forecast reduced requirements in 2023 and beyond due to positive operational cash flow reversing post-Covid requirements. The Company was in a position to return £2m of the Covid loan provided by shareholder. There are financial covenants attached to the external financing which the Company was in full compliance with as of 31 December 2022.

The Company has undertaken a detailed going concern assessment, reviewing its current and projected financial performance and position, including current assets and liabilities, debt maturity profile, future commitments and forecast cash flows. The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least 12 months from the date of approval of these financial statements.

The Board is therefore confident that the Company have adequate resources to continue in operational existence for at least 12 months from the date of signing these accounts, and therefore believe it remains appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**d) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Assets in the course of construction are stated at cost and not depreciated until they are brought into use.

Borrowing costs associated with assets under construction are not capitalised.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful

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lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- |                                |                                    |
|--------------------------------|------------------------------------|
| • Motor vehicles               | 25% per annum straight line        |
| • Short leasehold improvements | over the remaining lease period    |
| • Fixtures and fittings        | 15% to 25% per annum straight line |
| • Equipment                    | 12% to 40% per annum straight line |
| • Plant and machinery          | 20% per annum straight line        |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits. Any adjustment is accounted for prospectively.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired with any impairment charge recognised in the profit and loss account.

**e) Intangible assets other than goodwill**

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful economic lives as follows:

- |            |                                    |
|------------|------------------------------------|
| • Software | 15% to 25% per annum straight line |
|------------|------------------------------------|

Amortisation is charged within administrative expenses in the profit and loss account.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful economic life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. Intangible assets are reviewed for impairment if the above factors indicate that the carrying value may be impaired.

Costs associated with maintaining computer software are expensed as incurred. The Company does not capitalise internally generated software development costs.

**f) Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. Cost is recognised when the Company takes title in the goods. This occurs on collection where our nominated carriers collect the stock or on delivery when goods are delivered by the supplier.

Cost of goods sold includes the value of any stock for which the related revenue has been recognised in turnover.

At the end of each reporting period inventories are assessed for impairment, and if relevant a charge is reflected in the profit and loss account to reduce the carrying value to its expected net realisable value.

**g) Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to its carrying value.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the assets continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

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If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognised in the profit and loss account.

If the conditions leading to impairment loss are no longer applicable then an impairment loss, other than in relation to goodwill, may subsequently be reversed with the carrying amount being increased to the revised estimate of the assets carrying amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods.

**h) Non-underlying items**

The Company classifies amortisation of goodwill and other costs that have a material impact on its financial results as non-underlying. These are disclosed separately on the profit and loss account to provide further understanding of the financial performance of the Company.

**i) Turnover**

Turnover represents the fair value, excluding value added tax, of goods sold and is net of returns and rebates.

Turnover is recognised once the risks and rewards of ownership have been transferred, the Company retains no continuing involvement or control over the goods, the amount of revenue can be measured reliably, and it is probable that future economic benefits will flow to the Company. Turnover includes sales, where the Company acts as principal, made to certain customers on an ex-cellar basis where customers collect goods directly from the Company's suppliers.

**j) Leases**

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

*Finance leases:*

Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful economic life of the asset.

*Operating leases:*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation in which case the payments related to the structured increases are recognised as incurred.

Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

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**k) Taxation**

*Current tax*

Current tax is the expected tax payable (or recoverable) for the current period, and any adjustment to tax payable in respect of previous periods, using tax rates enacted or substantively enacted at the reporting date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred tax*

Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the statement of financial position date. Timing differences arise when items of income and expenditure are included in tax computations in periods which are different from their inclusion in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the reporting date.

**l) Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**m) Investments**

Investments in subsidiary undertakings included in fixed assets are stated at cost less any impairment losses. The carrying value of investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**n) Employee benefits**

The Company provides a range of benefits to employees, including defined contribution pension plans and holiday pay.

*Short term benefits:*

Short-term employee benefits such as salaries and compensated absence are recognised as an expense in the year employees render services to the Company. A liability is recognised at each reporting date to the extent that employee holiday allowance has been accrued but not taken, the expense being recognised as staff costs in the income statement.

*Pensions:*

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge disclosed in note 4 represents contributions payable by the Company to the fund.

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*Bonus arrangements:*

From time to time the Company operates bonus schemes to incentivise specific employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation under such arrangements as a result of past events and a reliable estimate of the obligation can be made.

**o) Foreign currencies**

Transactions in foreign currencies are translated to the companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**p) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held on call with banks with original maturities of three months or less and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in creditors due in less than one year.

**q) Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

*Financial assets*

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement immediately.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

*Financial liabilities*

Basic financial liabilities, including trade creditors and other payables (including from related companies), bank loans, and preference shares that are akin to debt are initially recognised at transaction

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price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs and then amortised over the remaining term of the loan.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

*Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

*Derivative financial instruments and hedging*

Derivatives, including interest rate swaps and forward foreign exchange contracts are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised as interest receivable/payable in the profit and loss account. The Company does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

**r) Related party transactions**

The Company discloses transactions with parties that are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

**s) Critical judgements and estimates in applying the accounting policies**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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*Intangible assets*

FRS 102 requires judgement to be exercised when determining whether software costs should be recognised as tangible or intangible assets. Where software is regarded an integral part of the related hardware and the hardware cannot operate without the software, it is treated as a tangible asset. However, where the software is not an integral part of the related hardware, it is to be treated as an intangible asset. Management have decided that the software costs are not an integral part of the related hardware and so have classified these costs as an intangible asset.

*Impairment of debtors*

The Company makes an estimate of the recoverable value of trade debtors. When assessing impairment, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

*Impairment of intangible assets and goodwill*

The Company considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of the recoverable value requires the exercise of management judgement.

*Carrying value of stock*

In assessing whether the carrying value of stock is not in excess of its net realisable value management has to make judgements in respect of the future proceeds expected from the sale of goods, including taking into account historical rates of return.

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the Company. An analysis of turnover is given below:

	<b>2022</b>	2021
	<b>£000</b>	£000
United Kingdom	<b>188,683</b>	139,940
International	<b>321</b>	219
	<b><u>189,004</u></b>	<u>140,159</u>



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**3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Loss on ordinary activities before taxation is stated after charging:	<b>2022</b>	2021
	<b>£000</b>	£000
Auditor's remuneration:		
- Audit of these financial statements	<b>110</b>	103
- Other services relating to taxation	<b>7</b>	6
Depreciation of owned and finance leased tangible fixed assets	<b>354</b>	369
Amortisation of goodwill	<b>1,450</b>	2,134
Amortisation of intangible assets other than goodwill	<b>151</b>	183
Amortisation of debt issue costs	<b>139</b>	139
Operating lease rentals		
- land and buildings	<b>1,623</b>	1,623
- other	<b>403</b>	359
	<hr/>	<hr/>

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the Company during the financial year amounted to:

	<b>2022</b>	2021
	<b>No</b>	No
Office staff	<b>104</b>	87
Warehouse staff	<b>160</b>	91
Sales staff	<b>80</b>	61
	<hr/>	<hr/>
	<b>344</b>	239
	<hr/>	<hr/>

The aggregate payroll costs of the above were:

	<b>2022</b>	2021
	<b>£000</b>	£000
Wages and salaries	<b>9,422</b>	7,739
Social security costs	<b>1,135</b>	846
Other pension costs	<b>962</b>	749
	<hr/>	<hr/>
	<b>11,519</b>	9,334
	<hr/>	<hr/>

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**5. DIRECTORS' EMOLUMENTS**

	<b>2022</b>	2021
	<b>£000</b>	£000
Directors' remuneration	174	192
Pension contributions to money purchase scheme	10	12
	<u>184</u>	<u>204</u>

The emoluments of the highest paid director were £172,400 (2021: £147,545). The highest paid director is a member of a defined contribution pension scheme. Retirement benefits are accruing to 1 (2021: 1 director) under money purchase schemes. The directors are deemed to be the key management of the Company.

An amount of £184,250 (2021: £203,682) of the above costs was incurred by Enotria Wine Group Limited, another Group Company.

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2022</b>	2021
	<b>£000</b>	£000
Bank interest payable	1,063	497
Amortisation of borrowing costs	139	139
Interest payable and similar charges	<u>1,202</u>	<u>636</u>

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**7. TAXATION**

**Analysis of credit in the year**

	<b>2022</b>	2021
	<b>£000</b>	£000
Current tax:		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Deferred tax:		
Origination/reversal of timing differences	4	(1,976)
Prior period adjustment	(412)	179
Effect of tax rate change on opening balances	(235)	(420)
	<hr/>	<hr/>
Total deferred tax (note 14)	(643)	(2,216)
	<hr/>	<hr/>

**Factors affecting current tax charge**

The current tax credit for the period is higher than (2021: *higher than*) the standard rate of corporation tax in the UK 19% (2021: 19%) The differences are explained below:

	<b>2022</b>	2021
	<b>£000</b>	£000
Loss on ordinary activities before taxation	(2,155)	(2,992)
Current tax at 19% (2021: 19%)	(409)	(569)
Expenses disallowed for tax purposes	65	71
Fixed asset differences	345	405
Other permanent differences	2	-
Deferred tax not recognised in prior period	(412)	179
Remeasurement of deferred tax - change in tax rates	(234)	(815)
Deferred tax recognised on carry forward losses	-	(1,487)
	<hr/>	<hr/>
Total tax credit for the year	(643)	(2,216)
	<hr/>	<hr/>

**Factors affecting future tax charges**

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, and the UK deferred tax asset as at 31 December 2022 has been calculated based on this rate. This will increase the Company's future current tax charge accordingly.

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**8. TANGIBLE FIXED ASSETS**

	<b>Short Leasehold Improvements £000</b>	<b>Plant and Machinery £000</b>	<b>Fixtures and Fittings £000</b>	<b>Computer Equipment £000</b>	<b>Total £000</b>
<b>COST</b>					
At 1 Jan 2022	3,241	21	272	1,193	4,727
Additions	-	-	-	46	46
<b>At 31 Dec 2022</b>	<b>3,241</b>	<b>21</b>	<b>272</b>	<b>1,239</b>	<b>4,773</b>
<b>DEPRECIATION</b>					
At 1 Jan 2022	2,466	21	225	955	3,667
Charge for the year	314	-	16	24	354
Cumulative adjustment	-	-	-	164	164
<b>At 31 Dec 2022</b>	<b>2,780</b>	<b>21</b>	<b>241</b>	<b>1,143</b>	<b>4,185</b>
<b>NET BOOK VALUE</b>					
<b>At 31 Dec 2022</b>	<b>461</b>	<b>-</b>	<b>31</b>	<b>96</b>	<b>588</b>
At 31 Dec 2021	775	-	47	238	1,060

Cumulative adjustment relates to reclassification of depreciations relating to Computer Equipment from Software

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**9. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b>	<b>Computer</b>	<b>Total</b>
	<b>£000</b>	<b>Software</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>COST</b>			
At 1 January 2021	15,316	3,952	19,268
Additions	-	98	98
At 31 December 2021	<u>15,316</u>	<u>4,050</u>	<u>19,366</u>
Additions	-	88	88
<b>At 31 December 2022</b>	<u><b>15,316</b></u>	<u><b>4,138</b></u>	<u><b>19,454</b></u>
<b>AMORTISATION</b>			
At 1 January 2021	7,985	3,828	11,813
Charge for the period	2,134	183	2,317
At 31 December 2021	<u>10,119</u>	<u>4,011</u>	<u>14,130</u>
Charge for the period	1,450	151	1,601
Cumulative adjustment	2	(164)	(162)
<b>At 31 December 2022</b>	<u><b>11,571</b></u>	<u><b>3,998</b></u>	<u><b>15,569</b></u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>5,197</u>	<u>39</u>	<u>5,236</u>
<b>At 31 December 2022</b>	<u><b>3,745</b></u>	<u><b>140</b></u>	<u><b>3,885</b></u>

The directors have considered the carrying value of goodwill and do not consider any impairment is required.

Cumulative adjustment relates to reclassification of depreciations relating to Computer Equipment from Software

**10. FIXED ASSET INVESTMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>COST AND NET BOOK VALUE</b>		
At the beginning of the year	13,278	13,278
Acquired during the year	-	-
At the end of the year	<u><b>13,278</b></u>	<u><b>13,278</b></u>

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**10. FIXED ASSET INVESTMENTS (continued)**

Details of the Company's subsidiary undertakings are given below. All subsidiaries share the same registered office at 23 Cumberland Ave, London NW10 7RX.

<b>Name of Company</b>	<b>Holding</b>	<b>Proportion of shares held</b>	<b>Principal Activity</b>
Winecellars Limited	Ordinary Shares	100%	Dormant
Coe of Ilford Limited	Ordinary Shares	100%	Dormant
Sekforde Drinks Limited	Ordinary Shares	49.6%	Soft drinks producer
Gin Foundry Limited	Ordinary Shares	100%	On-line drinks retailer

**11. STOCKS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Finished goods	<b>17,495</b>	<b>16,019</b>

Stocks are stated after impairment provisions of £415,160 (2021: nil)

**12. DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>29,772</b>	22,692
Other debtors	<b>2,185</b>	2,016
Amounts owed by Group undertakings	<b>25,745</b>	26,247
Prepayments and accrued income	<b>2,606</b>	2,666
Deferred tax asset – see note 14	<b>4,716</b>	4,075
	<b>65,024</b>	<b>57,696</b>

Trade debtors are stated after provisions for impairment of £576,000 (2021: £733,000). The amounts owed by Group undertakings are unsecured, do not attract interest and are repayable on demand.

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**13. CREDITORS: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>21,170</b>	21,060
Amounts owed to Group undertakings	<b>46,254</b>	48,709
Other taxation and social security	<b>4,356</b>	6,939
Accruals and deferred income	<b>12,931</b>	9,203
Other creditors	<b>1,769</b>	2,221
Asset based lending facility	<b>20,898</b>	9,655
	<b><u>107,378</u></b>	<b><u>97,787</u></b>

The carrying value of the asset based lending facility is net of unamortised arrangement fees of £326,736 (2021: £98,000).

The Company had an asset-based lending facility of £30,000,000 which ran until September 2022. The facility was used to cover working capital and liquidity commitments. The facility consisted of the following components and limits:-

- Accounts receivable facility £30m in total (2021: £30m) including a non-recourse facility with a maximum of £10m and a recourse facility of the balance.

The above facility was replaced on 25 August 2022 with an asset-based lending facility of £30,000,000 which runs for a minimum period of 3 years until August 2025. The facility consists of the following components and limits:-

- Accounts receivable facility £25m in total including a non-recourse facility with a maximum of £10m and a recourse facility of the balance.
- Inventory facility £5m

The non-recourse accounts receivable facility balance is taken off-balance sheet within these accounts.

All borrowings are denominated in Sterling, other than the asset based lending facility which has an element denominated in Euro.

Interest is charged monthly for the ABL facility. Annual charge for 2022 was £1,202k

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**14. DEFERRED TAXATION**

The movement in deferred taxation during the year was:

	<b>2022</b>	2021
	<b>£000</b>	£000
Asset at beginning of the year	<b>4,075</b>	1,859
Credit to profit and loss account	<b>643</b>	2,216
Asset at end of the year	<u><b>4,718</b></u>	<u>4,075</u>

**15. COMMITMENTS**

- a) The Company had no capital commitments at the end of the period
- b) Non-cancellable operating lease rentals are payable as follows: -

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>Land and</b>	<b>Other</b>	Land and	Other
	<b>buildings</b>	<b>items</b>	buildings	items
	<b>£000</b>	<b>£000</b>	£000	£000
Less than one year	<b>1,623</b>	<b>690</b>	1,623	256
Between one and five years	<b>6,307</b>	<b>2,465</b>	6,370	133
More than five years	<b>2,210</b>	<b>-</b>	3,832	-
	<u><b>10,140</b></u>	<u><b>3,155</b></u>	<u>11,762</u>	<u>389</u>

(c) Derivative financial instruments

As at 31 December 2022 the Company was committed to buy \$USD 2,430,000, \$AUD635,000, \$NZD1,000,000, and €9,150,000 and pay a fixed sterling amount of £10,759,164 at various dates throughout 2022. (2021: \$AUS 425,000, \$NZD 850,000, and €7,400,000 and pay a fixed sterling amount of £6,949,890 at various dates throughout 2021).

**16. CONTINGENCIES**

At 31 December 2022 the Company's bank had guaranteed liabilities to H.M. Customs and Excise arising in the ordinary course of business totalling £20,000 (2021: £20,000).

**17. SHARE CAPITAL**

**Allotted, called up and fully paid:**

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>No</b>	<b>£000</b>	No	£000
Ordinary shares of £1 each	<u><b>20,000</b></u>	<u><b>20</b></u>	<u>20,000</u>	<u>20</u>



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**18. FINANCIAL INSTRUMENTS**

The total carrying amounts of financial assets and financial liabilities included on the Company's balance sheet are disclosed by category below:

	2022	2021
	£000	£000
Financial assets measured at amortised cost	31,522	23,343
Financial liabilities measured at amortised cost	(54,999)	(39,918)
<b>Total</b>	<b>(23,477)</b>	<b>(16,575)</b>

**Derivative financial instruments – Forward foreign exchange contracts**

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables and receivables. As at 31 December 2022, the outstanding contracts all mature within 6 months (*2021: 6 months*) of the year end. Details of committed forward foreign exchange contracts are contained in note 15.

**19. RELATED PARTY TRANSACTIONS**

Details of the subsidiary undertakings are shown in note 10. The Company has taken advantage of the exemptions available to not disclose transactions and balances between Group entities which are wholly owned and eliminate on consolidation.

During the year, the Company made sales of £50,236 (*2021: £43,800*) to Sekforde Drinks Limited, a Company in which the company has a 49.6% shareholding. All transactions were completed on an arms-length basis on trade terms.

**20. IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

The immediate parent of the Company is Enotria Holdings Limited, a Company incorporated and registered in Great Britain.

The ultimate parent undertaking and the smallest and largest Group to consolidate these financial statements is Enotria Wine Group Limited. Copies of the Enotria Wine Group Limited consolidated financial statements can be obtained from the Company secretary at 23 Cumberland Avenue, London NW10 7RX.

The directors have assessed the ultimate controlling party of Enotria Winecellars Limited is BlueGem Capital Partners LLP, an entity incorporated in the UK.