

**Company Registration No. 02977249**

**Intercontinental Brands (Holdings)  
Limited**

**Annual Report and Financial Statements**

**Year ended 29 February 2020**



# **Intercontinental Brands (Holdings) Limited**

## **Report and Financial Statements 2020**

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# **Intercontinental Brands (Holdings) Limited**

## **Officers and professional advisers**

### **Directors**

M J Carthy  
M W Black

### **Company Secretary**

A C Gausden

### **Registered Office**

4 Sceptre House  
Hornbeam Square  
Hornbeam Business Park  
Harrogate  
North Yorkshire  
HG2 8PB

### **Bankers**

Lloyds Bank Plc  
Ground Floor  
1 Lovell Park Road  
Leeds  
LS2 8DA

# **Intercontinental Brands (Holdings) Limited**

## **Strategic report**

### **Review of the business**

The principal activity of the Company in the year under review was that of an intermediate holding Company within a group engaged in the development and merchandising of alcoholic drink products. As such, the business itself did not undertake any operating transactions that affected the profit and loss account and there has been no trading performance upon which to comment.

### **Principal risks and uncertainties and key performance indicators**

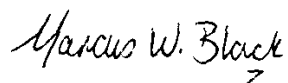
As an intermediate holding company, the Company's risks and key performance indicators are directly correlated to those of the Group headed by ICB Brands Holdings Limited. As such the Directors do not consider further discussion of these to be necessary.

### **Future developments**

There are currently no plans for the role of Intercontinental Brands (Holdings) Limited as an intermediary holding company within the Group to change.

### **Approval**

Approved by the Board of Directors and signed on behalf of the Board

Handwritten signature of Marcus W. Black in cursive script.

M W Black  
Director

9 November 2020

# **Intercontinental Brands (Holdings) Limited**

## **Directors' report**

The Directors present their annual report on the affairs of the Company together with the Financial Statements for the year ended 29 February 2020.

### **Results and dividends**

The business itself did not undertake any operating transactions that affected the profit and loss account and as such there has been no performance upon which to comment. A dividend of £1,756,132 (2019: £Nil) was received during the year from the Company's wholly owned subsidiary, Intercontinental Brands (ICB) Limited. An interim dividend of £1,756,132 was paid during the year (2019: £Nil).

### **Directors**

The Directors, who served throughout the year, and subsequently, were as follows:

M J Carthy; and

M W Black.

### **Director's indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

### **Political contributions**

No political donations were made during the year (2019: none).

### **Future developments and events after the balance sheet date**

There are no details to report of future developments.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This is considered a non-adjusting post balance sheet event, and therefore no impact on the carrying value of assets at the balance sheet date is noted. Consideration of the impact of this on the going concern status of the business is included in the Strategic report and in the going concern accounting policy.

### **Existence of branches outside the UK**

The Company has no branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK.

### **Going concern**

The Company is part of the Group of companies headed by ICB Brands Holdings Limited (together, "the Group"). All funding is managed centrally across the group headed by ICB Brands Holdings Limited.

The Directors are satisfied that the Group has sufficient financial resources to continue to operate for the foreseeable future, which is considered to be at least the 12 months from the date of approval of the financial statements.

The current economic and political climate does create a higher level of uncertainty for forecasting the Group's trading performance; in particular, the level of consumer demand, the financial resources available to some of the Group's customers, Government policy regarding alcoholic beverages, international taxation authorities classification of products for customs and excise purposes and exchange rate fluctuations due to Brexit concerns which can influence the ultimate costs of raw materials.

## **Intercontinental Brands (Holdings) Limited**

### **Directors' report (continued)**

We also draw your attention to the additional information in relation to the current COVID-19 situation which is included in the Going Concern and COVID-19 section of the Group consolidated Financial Statements, which are publically available, and the section in respect of Financial risk management objectives and policies.

After making full enquiries, the Directors therefore continue to adopt the going concern basis in preparing the Financial Statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the notes to the Financial Statements.

#### **Financial risk management objectives and policies**

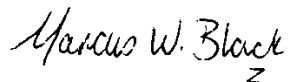
The Directors deem that financial risks applicable to the Company are in line with those disclosed in the Group consolidated Financial Statements, which are publicly available.

#### **Exemption from audit**

For the year ending 29 February 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

#### **Approval**

Approved by the Board of Directors and signed on behalf of the Board

Handwritten signature of Marcus W. Black in cursive script.

M W Black  
Director

9 November 2020

# **Intercontinental Brands (Holdings) Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, the directors' 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 the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company 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 and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Intercontinental Brands (Holdings) Limited**

### **Profit and loss account Year ended 29 February 2020**

	<b>Notes</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Turnover</b>		-	-
Income from shares in group undertakings		1,756,132	-
<b>Operating profit</b>	<b>3</b>	<u>1,756,132</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>		1,756,132	-
Tax on profit on ordinary activities	<b>4</b>	<u>-</u>	<u>-</u>
<b>Profit for the financial year after taxation</b>		<u>1,756,132</u>	<u>-</u>

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

The Company has no recognised gains and losses other than the result for the current year and previous year. Accordingly, no separate statement of total comprehensive income is presented.

The accompanying notes are an integral part of this profit and loss account.



## Intercontinental Brands (Holdings) Limited

### Balance sheet As at 29 February 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Investments	6	944,207	944,207
<b>Current assets</b>			
Cash at bank and in hand		1	1
<b>Net current assets</b>		1	1
<b>Net assets</b>		944,208	944,208
<b>Capital and reserves</b>			
Called-up share capital	7	1	1
Capital contribution reserve		553,755	553,755
Profit and loss account		390,452	390,452
<b>Equity Shareholders' funds</b>		944,208	944,208

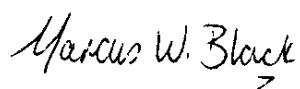
For the year ending 29 February 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Financial Statements of Intercontinental Brands (Holdings) Limited, registered number 02977249 were approved and authorised for issue by the Board of Directors on 9 November 2020.

The accompanying notes are an integral part of this balance sheet.

Signed on behalf of the Board of Directors



M W Black  
Director

## Intercontinental Brands (Holdings) Limited

### Statement of changes in equity As at 29 February 2020

	Called-up share capital	Capital contribution reserve	Profit and loss account	Total
	£	£	£	£
<b>At 28 February 2018</b>	1	553,755	390,452	944,208
Profit for the year	-	-	-	-
<b>At 28 February 2019</b>	1	553,755	390,452	944,208
Profit for the year	-	-	1,756,132	1,756,132
Interim dividend paid	-	-	(1,756,132)	(1,756,132)
<b>At 29 February 2020</b>	1	553,755	390,452	944,208

# **Intercontinental Brands (Holdings) Limited**

## **Notes to the Financial Statements Year ended 29 February 2020**

### **1. Accounting policies**

A summary of the principal accounting policies, all of which have been applied consistently in the current year and previous year, is set out below.

#### **General information and basis of accounting**

Intercontinental Brands (Holdings) Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The Financial Statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Intercontinental Brands (Holdings) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements because it is included in the group accounts of ICB Brands Holdings Limited.

Intercontinental Brands (Holdings) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate Financial Statements. Intercontinental Brands (Holdings) Limited is consolidated in the Financial Statements of its parent, ICB Brands Holdings Limited, whose Financial Statements are filed at Companies House, Crown Way, Cardiff, CF14 3UZ. Exemptions have been taken in these separate Company Financial Statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' reports.

As the Company merely acts as an intermediate holding Company, it has no need for any Company specific bank facilities and relies on those provided to the wider Group.

The Directors have reviewed whether the Group has adequate resources to continue in operational existence for the foreseeable future, which is considered to be at least 12 months from the date of approval of the financial statements. They have done so in the context of the COVID-19 pandemic and its potential impact on the operational and financial performance of the business.

In conducting this review, the Directors have considered a range of factors including the different market sectors served by the Group, the predictability of demand, customer relationships, supply chain resilience and relationships, staff health and retention, financing arrangements and historic and current cash flow performance. Specifically in respect of the impact of COVID-19, the Directors have considered the potential for demand for the Group's products to fall, inbound supply of materials to be interrupted, staff to become ill and unavailable to operate the production facility, as well as potential tightening of government restrictions on those businesses permitted to continue to operate.

## **Intercontinental Brands (Holdings) Limited**

### **Notes to the Financial Statements (continued) Year ended 29 February 2020**

#### **1. Accounting policies (continued)**

In undertaking their review, the Directors have prepared financial projections for the next 12 months from the date of approval of the financial statements, which, aside from any COVID-19 effects, assume stable revenues and cost efficiencies. They have then applied a sensitivity based on lower revenues as a result of the potential effects of COVID-19 described above. This sensitivity also considers mitigating actions available to the Directors, including taking advantage of Government assistance, deferring HMRC payments, and deferring non-essential spend or undertaking cost reduction actions.

Based on this review and downside sensitivity, the Directors have concluded that the Company and Group has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future and consequently, the Directors have adopted the going concern basis in preparing the financial statements.

#### **Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

# **Intercontinental Brands (Holdings) Limited**

## **Notes to the Financial Statements (continued) Year ended 29 February 2020**

### **1. Accounting policies (continued)**

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Critical judgements in applying the Company's accounting policies**

Management is required to make key decisions and judgements whilst acknowledging there is estimation uncertainty in the process of applying the Company's accounting policies. Management do not consider there to be any critical judgements.

### **2. Staff costs**

The Company has no employees other than the Directors. The Directors received no remuneration for their services to the Company during the current year or previous year as they are remunerated for services to the Group by the parent Company ICB Brands Holdings Ltd and it is not possible to split this cost.

### **3. Operating Profit**

The operating profit for the year is £1,756,132 (2019: £Nil).

## Intercontinental Brands (Holdings) Limited

### Notes to the Financial Statements (continued) Year ended 29 February 2020

#### 4. Tax on profit on ordinary activities

	2020 £	2019 £
Current tax:		
UK Corporation tax on profit for the year	-	-
Total current tax	-	-
Deferred tax:	-	-
Total deferred tax	-	-
<b>Tax on result on ordinary activities</b>	<b>-</b>	<b>-</b>
<b>Factors affecting the tax charge</b>		

The tax charge for the period differs from the average standard rate of corporation tax in the UK of 19% (2019: 19%). The difference is explained below:

	2020 £	2019 £
<b>Profit on ordinary activities before tax</b>	<b>1,756,132</b>	<b>-</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	333,665	-
<b>Effects of:</b>		
Income not taxable	(333,665)	-
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

There is no provided or unprovided deferred tax arising during the current year or previous year.

#### Factors that may affect future tax charges

The UK corporation tax rate reduced to 19% from April 2018. The government announced a further reduction in the main rate of UK corporation tax to 17% from 1 April 2020. Where these reduced tax rates were enacted at the statement of financial position date, they have been reflected in these financial statements as appropriate. The UK government passed a Budget Resolution on 17 March 2020 to retain the 19% corporation tax rate from 1 April 2020. Since this had not been enacted at the statement of financial position date, the unwinding of deferred tax temporary timing differences has been calculated based on 17%. In addition, as part of the Finance Act 2018, the UK government has announced that restrictions on interest deductibility and loss relief will be implemented. Draft legislation has been released setting out the new provisions. This may impact the taxable profits of the company as well as the amount of carried forward losses which can be utilised each year to offset taxable profits.

## Intercontinental Brands (Holdings) Limited

### Notes to the Financial Statements (continued) Year ended 29 February 2020

#### 5. Dividends

An interim dividend of £1,756,132 was paid in the year (2019: £Nil).

#### 6. Fixed asset investments

	Shares in group undertakings
<b>Cost and net book value</b>	
At 1 March 2019 and 29 February 2020	944,207

The Company's investment at the balance sheet date in the share capital of a Company which is registered in England and Wales was as follows:

Name	Nature of business	Class of share	% holding
Intercontinental Brands (ICB) Limited	Merchandising of alcoholic and non-alcoholic beverages	Ordinary £1 shares	100.00

The registered address of Intercontinental Brands (ICB) Limited is 4 Sceptre House, Hornbeam Square, Hornbeam Business Park, Harrogate, North Yorkshire, HG2 8PB.

#### 7. Called-up share capital and reserves

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £0.01 each	1	1

The capital contribution reserve represents the gift of shares in the investment in Intercontinental Brands (ICB) Limited on incorporation of Intercontinental Brands (Holdings) Limited.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

#### 8. Related party transactions

In accordance with paragraph 1.12 of FRS 102 "Related Party Disclosures" transactions with other group undertakings within, and investee related parties of the Intercontinental Brands (Holdings) Limited Group have not been disclosed in these Financial Statements. There have been no transactions with Directors.

#### 9. Post Balance Sheet Events

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This is considered a non-adjusting post balance sheet event, and therefore no impact on the carrying value of assets at the balance sheet date is noted. Consideration of the impact of this on the going concern status of the business is included in the Strategic Report and in the going concern accounting policy.

## **Intercontinental Brands (Holdings) Limited**

### **Notes to the Financial Statements (continued) Year ended 29 February 2020**

#### **10. Ultimate parent company and controlling party**

The Company's immediate parent undertaking is ICB Brands Holdings Limited.

This is the largest and only group of which the Company is a member and for which Group Financial Statements are drawn. ICB Brands Holdings Limited's Financial Statements are filed at Companies House, Crown Way, Cardiff, CF14 3UZ.

ICB Brands Holdings Limited is controlled by directors.