

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2022
for
Sun Mark Limited

Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

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for the Year Ended 31 December 2022

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DIRECTORS:

H S Ahuja
Vinar N.V.

SECRETARY:

N A O Qazi

REGISTERED OFFICE:

Sun House
428 Long Drive
Greenford
Middlesex
UB6 8UH

REGISTERED NUMBER:

03010238 (England and Wales)

AUDITORS:

Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

Strategic Report
for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Sun Mark Limited is a consumer goods company with its own branded range of food and beverages, some of which are market leaders in various countries. The company is also a celebrated distributor of famous food brands and works closely with companies, including Nestle, Mondelez, Mars and many others.

During the prior year, the company's majority shareholding was acquired by an investment company with a focus on developing Sun Mark's own label range and strategic brand owners who work closely with Sun Mark Limited.

REVIEW OF BUSINESS

The company's performance has improved in terms of revenue, gross profit and EBITDA. 2021 has been restated and was marked by a series of exceptional write off and write downs, as is often seen when there is a change in ownership of a company.

This performance was particularly strong when you consider the backdrop of rapidly rising interest rates, inflation and economic downturn across the world, a situation further exacerbated by the war in Ukraine which led to huge increases in commodity prices along with a short fall in availability even if one was prepared to pay the new rates applicable at that time. The period also saw us having to battle difficult economic conditions in Ghana and Nigeria, important markets for us. Nonetheless, we had a substantial improvement across several key performance indicators and our own label business grew substantially.

Key Performance Indicators

	2022	2021
	£m	£m
Turnover	120	105
Gross profit	13	10
EBITDA	4	-17
EBITDA (excluding exceptional items)	6	2

Strategic Report
for the Year Ended 31 December 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks of the company are foreign exchange, credit risk and interest rate risk.

Foreign exchange fluctuations

The company makes sales and purchases in foreign currencies, primarily EUR & USD, and so is exposed to fluctuations in these currencies. To mitigate the risk the company partially hedges on a forward basis.

Credit Risk

The company strictly monitors amounts outstanding from customers and grants credit only to established customers.

Interest Rate Risk

The company ensures that it has sufficient cash to meet rising interest rates.

Strategy

The primary focus of the company is to increase sales of the company's own brand products and develop new ones in line with user tastes and requirements.

It will do this through building on existing distributor relationships and develop new ones in new markets.

SECTION 172(1) STATEMENT

The Directors have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholder and matters set out in s172 (1) (a-f) of the Companies Act 2006) for the decisions taken during the period ended 31 December 2022.

ENGAGEMENT WITH EMPLOYEES

Employees are our key asset and central to growing sales and profit. We strive to retain people for the long term and our recruitment strategy is based on offering long, sometimes lifetime careers in fairly paid and stable jobs. We invest in training and development for all our staff.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

Our business has continued to grow well and recovered strongly post COVID, with all the risks related to trading, business development and financing well managed and satisfactorily accepted by our suppliers, customers and co-operative partners.

BUSINESS RELATIONSHIPS

We value long term relationships with our customers and suppliers and many of our trading relationships are over 15 years old. The company actively engages with its customers and suppliers to understand their business needs and improve collaborative working relationships. We continue to work diligently to improve our services.

SHAREHOLDERS

Our shareholders engage fully with our strategy, objectives and performance, supported by regular board meetings.

COMMUNITY, ENVIRONMENT AND REPUTATION

We believe that a positive and strong culture is the best way to ensure a high level of professional conduct when it comes to health and safety, environment, regulations or business dealings.

ON BEHALF OF THE BOARD:

H S Ahuja - Director

13 February 2024

Report of the Directors
for the Year Ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

DIVIDENDS

An interim dividend of £1.31 per share on the Ordinary £0.10 shares was paid on 5 January 2022. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary B £0.10 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 December 2022 will be £ 2,100,000 .

It should be noted the dividends distributed during the prior year were made to the previous owners of the company. The 2022 dividend is the first dividend declared to the new parent company Sun Mark International Ltd.

FUTURE DEVELOPMENTS

Our medium term plan remains to continue to capture market share in our core markets, especially for our own brand items, and short term considerations are taken into account but the medium to long term strategy is paramount. This will help build a much more profitable business and create value for the shareholders and other stakeholders. We are confident of growth over the coming few years and a successful realisation of our strategic goals.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

H S Ahuja
Vinar N.V.

POLITICAL DONATIONS AND EXPENDITURE

During the period the company made the following contributions:

The Conservative Party and related organisations £200 (2021: £12,408).

In addition to the above, the company made £300 (2021: £11,048) of charitable donations.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

STREAMLINED ENERGY AND CARBON REPORTING

The Company's greenhouse gas emissions and energy consumption for the year from 1 January 2022 to 31 December 2022 are;

- UK Energy Use: 106,230 kWh (2021: 286,208 kWh)
- Associated Greenhouse gas emissions due to UK energy use: 10 tCO₂e (2021: 62 tCO₂e)
- Intensity Ratio: 0.1 kgCO₂e per sq. ft (2021: 0.8 kgCO₂e carbon per sq.ft)

Report of the Directors
for the Year Ended 31 December 2022

UK energy use covers gas, electricity and transport for the company.

ESOS methodology has been used to calculate the emissions and energy consumption information disclosed.

The company has taken actions to increase energy efficiency including moving to remote home working and implementing use of video conferencing.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Xeinadin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

H S Ahuja - Director

13 February 2024

Qualified opinion

We have audited the financial statements of Sun Mark Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section, 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The audit opinion has been qualified for 31 December 2022 as a result of the comparative financial statements having a disclaimed opinion.

The comparative figures were subject to a qualified opinion from the limitation on the scope of our work relating to inventory. We were not appointed as auditors until after 31 December 2021 and thus did not observe the counting of physical inventories at the beginning and end of that year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2020 and 2021. Consequently we were unable to determine whether any adjustment to this amount at 31 December 2021 was necessary or whether there was any consequential effect on the cost of sales for the year ended 31 December 2022.

In addition, management have processed a significant number of adjustments to their originally reported 2021 financial statements which we have been unable to verify. An amount of £19.3m was written off that included £10m of distribution costs, £7.5m of distributor fees both previously treated as assets, and a provision made against £1.8m of intercompany balances where subsidiary accounts showed inconsistent positions with the parent company. Furthermore, management have made £5.3m of prior year adjustments which included a £4m joint venture write off, £900k of goodwill write off and recognising a further corporation tax liability of £400k. We were unable to ascertain with sufficient certainty whether all the adjustments should have been processed in the year to 31 December 2021 or an earlier accounting period.

For these reasons the audit opinion on the financial statements to 31 December 2021 was disclaimed.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the Basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include food safety and hygiene legislation, health and safety legislation and ISO 9000 standards for quality assurance and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

John David Lee BA FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

14 February 2024

Income Statement
for the Year Ended 31 December 2022

	Notes	31.12.22 £'000	£'000	31.12.21 £'000	£'000
TURNOVER	3		120,058		105,401
Cost of sales			106,438		95,223
GROSS PROFIT			13,620		10,178
Distribution costs		321		10,278	
Administrative expenses		9,366		17,999	
			9,687		28,277
			3,933		(18,099)
Other operating income			1		347
OPERATING PROFIT/(LOSS)	5		3,934		(17,752)
Interest receivable and similar income			-		7
			3,934		(17,745)
Interest payable and similar expenses	6		710		327
PROFIT/(LOSS) BEFORE TAXATION			3,224		(18,072)
Tax on profit/(loss)	7		(29)		(274)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			3,253		(17,798)

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 December 2022

	Notes	31.12.22 £'000	31.12.21 £'000
PROFIT/(LOSS) FOR THE YEAR		3,253	(17,798)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,253	
Prior year adjustment			(5,366)
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT			(23,164)

Balance Sheet
31 December 2022

	Notes	31.12.22 £'000	£'000	31.12.21 £'000	£'000
FIXED ASSETS					
Intangible assets	9		7,669		424
Tangible assets	10		103		181
Investments	11		884		884
			<u>8,656</u>		<u>1,489</u>
CURRENT ASSETS					
Stocks	12	1,666		6,777	
Debtors	13	43,077		36,850	
Cash at bank		891		4,785	
		<u>45,634</u>		<u>48,412</u>	
CREDITORS					
Amounts falling due within one year	14	45,902		42,637	
NET CURRENT (LIABILITIES)/ASSETS			<u>(268)</u>		<u>5,775</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,388</u>		<u>7,264</u>
PROVISIONS FOR LIABILITIES	17		-		29
NET ASSETS			<u>8,388</u>		<u>7,235</u>
CAPITAL AND RESERVES					
Called up share capital	18		170		170
Retained earnings	19		8,218		7,065
SHAREHOLDERS' FUNDS			<u>8,388</u>		<u>7,235</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13 February 2024 and were signed on its behalf by:

H S Ahuja - Director

Vinar N.V. - Director

Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £'000	Retained earnings £'000	Revaluation reserve £'000	Total equity £'000
Balance at 1 January 2021	170	37,661	326	38,157
Prior year adjustment	-	(5,366)	-	(5,366)
As restated	170	32,295	326	32,791
Changes in equity				
Dividends	-	(7,758)	-	(7,758)
Total comprehensive income	-	(17,472)	(326)	(17,798)
Balance at 31 December 2021	170	7,065	-	7,235
Changes in equity				
Dividends	-	(2,100)	-	(2,100)
Total comprehensive income	-	3,253	-	3,253
Balance at 31 December 2022	170	8,218	-	8,388

Notes to the Financial Statements
for the Year Ended 31 December 2022

1. **STATUTORY INFORMATION**

Sun Mark Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated financial statements

The financial statements contain information about Sun Mark Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Sun Mark International Limited, 428 Long Drive, Greenford, Middlesex, UB6 8UH.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value 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 where the revision affects both current and future periods.

Critical judgements

The following judgements have had the most significant effect on the amounts recognised in the financial statements.

Useful lives of intangibles

The charge in respect of periodic amortisation is derived after determining an estimate of an asset's expected useful life. The useful lives of the group's intangible assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on an estimated future period that economic benefit is expected to be derived.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of five years.

Computer software is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

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

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Investments in subsidiaries

Investments in subsidiary and associate undertakings are initially recognised at cost and subsequently measured at cost less accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses are recognised immediately in profit and loss.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Derivatives

Contracts to buy or sell non-financial items such as commodity, inventory, property, plant and equipment for own use are not considered to be financial instruments. Derivatives including 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 forward foreign exchange contracts are recognised in the income statement in cost of sales.

The fair value of forward exchange contracts is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing forward foreign exchange contracts are the forward exchange rates relating to the relevant currency pairs and maturity dates.

The Company does not apply hedge accounting for derivatives.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. **ACCOUNTING POLICIES - continued**

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The accounts have been prepared on the basis of the company being a going concern despite the net liabilities position shown at the year end. The Company has ready access to financial resources, to support the company for another year from the date of signing the accounts making the going concern basis appropriate.

3. **TURNOVER**

The turnover and profit (2021 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.22	31.12.21
	£'000	£'000
Africa	52,069	49,957
Middle East	33,800	22,701
United Kingdom	10,827	11,788
Rest of the world	23,362	20,955
	<u>120,058</u>	<u>105,401</u>

4. **EMPLOYEES AND DIRECTORS**

	31.12.22	31.12.21
	£'000	£'000
Wages and salaries	2,958	2,434
Social security costs	325	256
Other pension costs	80	48
	<u>3,363</u>	<u>2,738</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.22	31.12.21
Sales & warehousing	37	44
Support, HR & finance	12	14
Senior management	4	3
Director	1	1
	<u>54</u>	<u>62</u>
	31.12.22	31.12.21
	£	£
Directors' remuneration	<u>157,500</u>	<u>142,519</u>

5. **OPERATING PROFIT/(LOSS)**

The operating profit (2021 - operating loss) is stated after charging:

	31.12.22	31.12.21
	£'000	£'000
Hire of plant and machinery	30	17
Other operating leases	805	802
Depreciation - owned assets	95	137
Loss on disposal of fixed assets	-	26
Patents and licences amortisation	126	110
Computer software amortisation	41	28
Auditors' remuneration	42	58
Foreign exchange differences	<u>203</u>	<u>477</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.22	31.12.21
	£'000	£'000
Bank interest	161	2
Bank loan interest	516	325
HMRC interest and penalties	33	-
	<u>710</u>	<u>327</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

7. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	31.12.22	31.12.21
	£'000	£'000
Current tax:		
UK corporation tax	-	(198)
Deferred tax	<u>(29)</u>	<u>(76)</u>
Tax on profit/(loss)	<u>(29)</u>	<u>(274)</u>

UK corporation tax has been charged at 19% .

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.22	31.12.21
	£'000	£'000
Profit/(loss) before tax	<u>3,224</u>	<u>(18,072)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	613	(3,434)
Effects of:		
Expenses not deductible for tax purposes	-	606
Depreciation in excess of capital allowances	12	16
Utilisation of tax losses	(625)	368
Adjustments to tax charge in respect of previous periods	-	(198)
Tax losses carried forward	-	2,444
Movement in deferred tax	<u>(29)</u>	<u>(76)</u>
Total tax credit	<u>(29)</u>	<u>(274)</u>

8. DIVIDENDS

	31.12.22	31.12.21
	£'000	£'000
Ordinary shares of £0.10 each		
Interim	<u>2,100</u>	<u>7,758</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

9. **INTANGIBLE FIXED ASSETS**

	Patents and licences £'000	Computer software £'000	Totals £'000
COST			
At 1 January 2022	658	112	770
Additions	7,350	62	7,412
At 31 December 2022	8,008	174	8,182
AMORTISATION			
At 1 January 2022	318	28	346
Amortisation for year	126	41	167
At 31 December 2022	444	69	513
NET BOOK VALUE			
At 31 December 2022	7,564	105	7,669
At 31 December 2021	340	84	424

Included within Patents & licenses:

The 'Bullet' energy drink license has a carrying value of £7,000,000 with a remaining amortisation period of 5 years.

10. **TANGIBLE FIXED ASSETS**

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 January 2022	49	517	12	578
Additions	3	14	-	17
At 31 December 2022	52	531	12	595
DEPRECIATION				
At 1 January 2022	33	352	12	397
Charge for year	12	83	-	95
At 31 December 2022	45	435	12	492
NET BOOK VALUE				
At 31 December 2022	7	96	-	103
At 31 December 2021	16	165	-	181

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

11. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £'000	Listed investments £'000	Totals £'000
COST			
At 1 January 2022 and 31 December 2022	<u>859</u>	<u>25</u>	<u>884</u>
NET BOOK VALUE			
At 31 December 2022	<u>859</u>	<u>25</u>	<u>884</u>
At 31 December 2021	<u>859</u>	<u>25</u>	<u>884</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Bulldog Power Limited

Registered office: Sun House, 428 Long Drive, Greenford, UB6 8UH

Nature of business: Wholesale of beverages

	%
Class of shares:	holding
Ordinary	100.00

Sun Mark Global General Trading LLC

Registered office: PO Box 233190, Near Ai Ras Station, behind Rak Bank, Deira, Dubai, UAE

Nature of business: Wholesale of beverages

	%
Class of shares:	holding
Ordinary	100.00

MS Sun Mark Nigeria Limited

Registered office: 5-7 Ben Onyeka Street, 2nd Benue Bus Stop, Olodi, Apepa, Lagos State, Nigeria

Nature of business: Wholesale of beverages

	%
Class of shares:	holding
Ordinary	100.00

12. **STOCKS**

	31.12.22	31.12.21
	£'000	£'000
Stocks	<u>1,666</u>	<u>6,777</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

13. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22	31.12.21
	£'000	£'000
Trade debtors	17,468	9,248
Amounts owed by group undertakings	21,936	25,512
Other debtors	1,788	487
VAT	655	538
Prepayments	1,230	1,065
	<u>43,077</u>	<u>36,850</u>

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22	31.12.21
	£'000	£'000
Bank loans and overdrafts (see note 15)	15,812	15,755
Trade creditors	24,994	20,915
Amounts owed to group undertakings	3,500	-
Tax	-	409
Social security and other taxes	92	318
Other creditors	29	2,360
Directors' current accounts	74	-
Accrued expenses	1,401	2,880
	<u>45,902</u>	<u>42,637</u>

Bank overdraft facilities are secured on the property and all assets of Sun Mark Limited.

15. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.22	31.12.21
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank overdrafts	873	855
Bank loans	14,939	14,900
	<u>15,812</u>	<u>15,755</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

16. **LEASING AGREEMENTS**

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

31.12.22	31.12.21
£'000	£'000
Within one year	800
Between one and five years	3,200
In more than five years	2,133
1,333	6,133
5,333	6,133

17. **PROVISIONS FOR LIABILITIES**

31.12.22	31.12.21
£'000	£'000
Deferred tax	29
-	-

Deferred tax
£'000
29
(29)
-

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22	31.12.21
			£'000	£'000
1,600,000	Ordinary	£0.10	160	160
100,000	Ordinary B	£0.10	10	10
			170	170

19. **RESERVES**

	Retained earnings
	£'000
At 1 January 2022	7,065
Profit for the year	3,253
Dividends	(2,100)
At 31 December 2022	8,218

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

20. ULTIMATE PARENT COMPANY

Vinar N.V. (incorporated in Belgium) is regarded by the directors as being the company's ultimate parent company.

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.