

Registered number: 03293563

LIBERTY WINES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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LIBERTY WINES LIMITED

COMPANY INFORMATION

Directors

D Gleave
GS Machado
NV Abraham
MS Hill Smith
RJ Ratcliffe
VJ Nobles
AJ Knott
TMF Platt
DBG Lafaurie

Company secretary

N Gutman

Registered number

03293563

Registered office

6 Timbermill Way
London
SW4 6LY

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Senior Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

LIBERTY WINES LIMITED

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LIBERTY WINES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

Since its formation in 1997, Liberty Wines has sourced the best wines for its broad customer base and supplied them with outstanding service at the right place and time. The group's customers include some of the UK and Ireland's best restaurants, bars, hotels and independent retail outlets. The industry again recognised Liberty Wines' commitment and excellence over the past twelve months with a number of prestigious awards which included 'Educator of The Year', 'On-Trade Supplier of the Year', and 'Italian Specialist Merchant of the Year' - all from the recently held International Wine Challenge.

Two years ago, IW Investments S.A. made an initial investment in Liberty Wines and at the same time moved the UK distribution of all their wines including Mateus into Liberty Wines. In June 2019 IW Investments S.A bought the shares of all the original shareholders except the founder, David Gleave, to take a majority stake in the company. Another major supplier, EPI, which owns Charles Heidsieck, Piper Heidsieck, and Rare Champagnes, distributed by Liberty Wines, also made an investment in the company. Accordingly three members of the Board agreed to step down in July 2019 to make way for the new shareholders to be represented on the Board in due course.

Business review

The financial year culminated with a delay to the much-publicised exit from the EU which had been scheduled for 31 March. In the lead up to this date Liberty Wines instigated various planning measures to mitigate the effect on customers, which included the building of inventory in the event of border disruption. This caused some pulling forward of off-trade orders during the spring; however, it did not result in any other major disruptions to the business. The UK economy performed poorly relative to the rest of the world in 2018 (GDP grew 1.8% vs 3.6%) and the general malaise of the hospitality industry continued to hit the headlines. However, despite these challenging conditions, the business achieved sales growth of 10.4% with a 88% growth in pre-tax profits to £2,630k. A relatively weak but stable pound helped the business to hedge currency effectively throughout the year which was a welcome relief to the currency turbulence of the previous 18 months (currency impact to profits of £678k in 2018).

Liberty Wines' customers operate in most sectors of the UK wine market, each of which experienced different levels of challenge in the past year. A particularly important sector of this market is the UK on-trade, which saw an overall drop in sales value of 2% in 2018; however, the narrower segment of premium on-trade, which is a key market for Liberty Wines, showed a very slight growth of 1%. The Company had some excellent results in the on-trade, growing its distribution by a further 12.7%. Some hospitality groups were particularly challenged with several high-profile businesses undertaking CVAs during the period (Prezzo, Carluccio's, Byron), and then in the later part of the year Jamie's Italian went into administration. Despite this, the level of bad debts the business provided for was consistent with previous years. The grocers performed strongly with Liberty Wines; however, the regional off-trade experienced significant challenges as their business models came under threat from the large retailers and digital disruptors. Against this challenging backdrop, the business grew in nearly every sector as it successfully continued to combine its extensive product portfolio with excellent customer service.

The market remains highly competitive, with some operators in the market looking to win business on very low margins. So, it is crucial that Liberty Wines maintains and develops a point of difference from the competition. Liberty Wines emphasises the added value it can bring to its customers and continues to acquire and mutually develop them at sustainable margins that allow investment in its business model. Liberty Wines prides itself on its focus on customer service, which it sees as a combination of great people and technology identifying what makes a difference to its partners' businesses. In fiscal 2019 there were further investments in its warehouse systems (bar code scanning), as well as closer relationships with strategic logistic partners. Other projects that were completed during the year included IT upgrades and technology that would allow greater productivity in back office systems.

LIBERTY WINES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Business review (continued)

The results of the group are set out on pages 9-12. Financial headlines include:

Turnover	£75,010k (+10.4%)	2018: £67,937k
Gross Margin	£11,584k (+11.7%)	2018: £10,490k
EBITDA	£2,980k (+42.9%)	2018: £2,083k

As the business continued to grow market share in 2018 it attracted some high-profile producers which included the Champagne house Piper Heidsieck, along with some other famous brands from the wine world: Garzon from Uruguay and the venerated family owned Domaine Tolleot-Beaut from Burgundy.

With the increasing levels of business activity Liberty Wines had a busy year with recruitment, increasing head count with a net 26 new members of staff. The Liberty Wines Apprentice two-year programme continues. Staff training and development is a key theme to the business strategy and opportunities were provided for a number of formal training courses throughout the year. Wine knowledge development focusses on in house wine training combined with externally accredited Wine & Spirit Education Trust (WSET) courses. All staff will attend a minimum of Level 1 and the Company spent a total on training during the year of £43k.

Environmental credentials

Liberty Wines became the first leading UK premium wine distributor to achieve carbon neutral status in 2014 and continues to hold that status, expanding certification to include its Irish operations in 2015. Its environmental programme includes tracking and reducing its carbon footprint as well as offsetting emissions, meaning every bottle is transported from winery to customer carbon neutral. The company remains committed to its environmental programme and each year implements new initiatives.

Principal risks and uncertainties

The group actively manages the key financial risks to minimise their impact. The key risks and policies to manage these risks are outlined below:

Foreign exchange – A large part of the group's trading is denominated in foreign currencies which exposes the group to adverse movements in foreign exchange. To mitigate this risk, the group enters into forward exchange contracts.

Competition – The group operates in a competitive marketplace where growth is dependent both on attracting new customers and developing excellent relationships with existing customers. With the intense competition expected to continue for the foreseeable future, the group must maintain its focus on improving customer service, customer education and product range to maintain growth. The group believes that it remains well positioned to thrive in this environment, with its multi-channel approach giving it the ability to respond quickly to threats and opportunities arising from changes within the competitive set.

Economy – Brexit planning is a key focus and, in preparation for leaving the EU on the 31 October 2019, Liberty Wines is building inventory as it did earlier in the year to cope with potential disruption at the ports. The slide in the value of Sterling has also resulted in forward buying of the Euro to cover a longer time period than the business would ordinarily cover. To further anticipate the economic environment the market could be facing post-Brexit is challenging, but the group has a strong Balance Sheet, well-managed overheads and excellent relationships with both customers and suppliers which should enable it to manage the challenges of the year ahead.

This report was approved by the board on 26th August 2019 and signed on its behalf.


AJ Knott
Director

LIBERTY WINES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for preparing the annual report in accordance with applicable laws and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy is fair, balanced and understandable.

Principal activity

The principal activity of the group during the year was that of premium wine sourcing and distribution.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £2,029,327 (2018 - £1,067,211).

A dividend of £Nil (2018: £Nil) was paid during the year. The directors do not recommend the payment of a final dividend (2018: £Nil).

LIBERTY WINES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Directors

The directors who served during the year were:

D Gleave
GP Wyatt (resigned 26 June 2019)
LS Flynn (resigned 26 June 2019)
GS Machado
NV Abraham
HL Hess (resigned 26 June 2019)
MS Hill Smith
RJ Ratcliffe
VJ Nobles
AJ Knott (appointed 1 April 2018)
TMF Platt (appointed 1 April 2018)

Charitable Donations

During the year the group made charitable contributions of £10,787 (2018: £14,968), principally to local charities serving the communities in which the group operates.

Future developments

New Channels of Distribution: Liberty Wines' core strength has been to position its offering as one of the "go-to" suppliers in the on- and off-trades. In 2020 the company will continue to explore and develop new channels of distribution for its premium wines in order to maintain the momentum of its impressive track record for growth.

The premium wine sector continues to outperform the overall wine market and the group is well placed to capitalise on this. The previous investment in technology and the portfolio, the constant focus on achieving exceptional levels of customer service, plus its ability to attract highly regarded producers and agencies, ensure the group is well positioned to grow profitably in the future.

People and Training: Liberty Wines continues to place huge importance on retaining and developing its employees, reflected in its Investors in People accreditation, high average length of service, and the number of internal promotions.

Portfolio: The company continues to expand the premium areas of the portfolio.

Technology: Investment for the coming year will continue to focus on the development of a new website, customer portal, and online ordering.

Disclosure of information to auditor

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

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

LIBERTY WINES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Post balance sheet events

Following the balance sheet date, the Portuguese wine distributor, Sogrape S.G.P.S. S.A. acquired a controlling and majority share in the Group, through its subsidiary IW Investments S.A.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *29th August 2019* and signed on its behalf.

AJ

AJ Knott
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY WINES LIMITED

Opinion

We have audited the financial statements of Liberty Wines Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Consolidated Statement of comprehensive income, the Consolidated Statement of other comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY WINES LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY WINES LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Nicholas Watson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: *29th August 2019*

LIBERTY WINES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	Restated 2018 £
Turnover	4	75,010,339	67,937,103
Cost of sales		(63,426,579)	(57,574,068)
Gross profit		11,583,760	10,363,035
Distribution costs		(4,992,991)	(4,417,791)
Administrative expenses		(3,950,206)	(4,293,876)
Operating profit	5	2,640,563	1,651,368
Fair value adjustment for forward contracts		29,568	(171,013)
Interest receivable and similar income	8	31,432	9,194
Interest payable and similar expenses	9	(71,977)	(97,022)
Profit before tax		2,629,586	1,392,527
Tax on profit	10	(586,849)	(312,389)
Profit for the financial year		2,042,737	1,080,138
Profit for the year attributable to:			
Non-controlling interests		13,410	12,927
Owners of the parent		2,029,327	1,067,211
		2,042,737	1,080,138

All amounts relate to continuing activities.

The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	<i>Restated</i> 2018 £
Profit for the financial year		2,042,737	1,080,138
Other comprehensive income			
Currency translation differences		(66,562)	58,234
Deferred tax		(239,201)	-
Other comprehensive income for the year		(305,763)	58,234
Total comprehensive income for the year		1,736,974	1,138,372
Profit for the year attributable to:			
Non-controlling interest		13,410	12,927
Owners of the parent Company		2,029,327	1,067,211
		2,042,737	1,080,138

The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED
REGISTERED NUMBER:03293563

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	Restated 2018 £
Fixed assets			
Intangible assets	11	386,525	394,038
Tangible assets	13	6,759,990	5,368,531
Investments	14	19,887	19,887
		<u>7,166,402</u>	<u>5,782,456</u>
Current assets			
Stocks	15	11,796,517	9,513,367
Debtors: amounts falling due within one year	16	15,408,018	14,222,381
Cash at bank and in hand	17	3,827,322	1,459,326
		<u>31,031,857</u>	<u>25,195,074</u>
Creditors: amounts falling due within one year	18	(18,234,652)	(14,282,009)
Net current assets		<u>12,797,205</u>	<u>10,913,065</u>
Total assets less current liabilities		<u>19,963,607</u>	<u>16,695,521</u>
Creditors: amounts falling due after more than one year	19	(1,013,273)	(1,152,608)
Provisions for liabilities			
Pre tax provisioning	22	(622,214)	(358,834)
		<u>(622,214)</u>	<u>(358,834)</u>
Net assets		<u><u>18,328,120</u></u>	<u><u>15,184,079</u></u>
Capital and reserves			
Share capital	23	216,300	216,300
Share premium	24	104,675	104,675
Revaluation reserve	24	1,909,869	742,003
Capital redemption reserve	24	21,000	21,000
Retained earnings	24	15,940,901	13,978,136
Equity attributable to owners of the parent Company		<u>18,192,745</u>	<u>15,062,114</u>
Non-controlling interests		135,375	121,965
Shareholders' funds		<u><u>18,328,120</u></u>	<u><u>15,184,079</u></u>

LIBERTY WINES LIMITED
REGISTERED NUMBER:03293563

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2019

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

29th August 2019



AJ Knott
Director

The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED
REGISTERED NUMBER: 03293563

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Intangible assets	11	344,772	355,705
Tangible assets	13	6,753,635	5,358,961
Investments	14	75,734	75,734
		<u>7,174,141</u>	<u>5,790,400</u>
Current assets			
Stocks	15	9,957,179	7,854,876
Debtors: amounts falling due within one year	16	14,484,903	14,149,036
Cash at bank and in hand	17	2,990,318	961,435
		<u>27,432,400</u>	<u>22,965,347</u>
Creditors: amounts falling due within one year	18	(16,631,189)	(13,639,771)
Net current assets		<u>10,801,211</u>	<u>9,325,576</u>
Total assets less current liabilities		<u>17,975,352</u>	<u>15,115,976</u>
Creditors: amounts falling due after more than one year	19	(788,562)	(926,217)
Provisions for liabilities			
Pre tax provisioning	22	(622,214)	(358,834)
Net assets		<u><u>16,564,576</u></u>	<u><u>13,830,925</u></u>
Capital and reserves			
Share capital	23	216,300	216,300
Share premium	24	104,675	104,675
Revaluation reserve	24	1,909,869	742,003
Capital redemption reserve	24	21,000	21,000
Retained earnings	24	14,312,732	12,746,947
Shareholders' funds		<u><u>16,564,576</u></u>	<u><u>13,830,925</u></u>

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

29th August 2019

AJ Knott
Director



The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2018	216,300	104,675	21,000	742,003	13,978,136	15,062,114	121,965	15,184,079
Profit for the year	-	-	-	-	2,029,327	2,029,327	13,410	2,042,737
Currency translation differences	-	-	-	-	(66,562)	(66,562)	-	(66,562)
Deferred tax	-	-	-	(239,201)	-	(239,201)	-	(239,201)
Total comprehensive income for the year	-	-	-	(239,201)	1,962,765	1,723,564	13,410	1,736,974
Property revaluation	-	-	-	1,407,067	-	1,407,067	-	1,407,067
Total transactions with owners	-	-	-	1,407,067	-	1,407,067	-	1,407,067
At 31 March 2019	216,300	104,675	21,000	1,909,869	15,940,901	18,192,745	135,375	18,328,120

The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Restated Retained earnings £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2017	216,300	104,675	21,000	742,003	12,852,691	13,936,669	119,043	14,055,712
Profit for the year	-	-	-	-	1,067,211	1,067,211	12,927	1,080,138
Currency translation differences	-	-	-	-	58,234	58,234	(10,005)	48,229
Total comprehensive income for the year	-	-	-	-	1,125,445	1,125,445	2,922	1,128,367
Dividends: Equity capital	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
At 31 March 2018	216,300	104,675	21,000	742,003	13,978,136	15,062,114	121,965	15,184,079

The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 April 2018	216,300	104,675	21,000	742,003	12,746,947	13,830,925
Profit for the year	-	-	-	-	1,565,785	1,565,785
Deferred tax	-	-	-	(239,201)	-	(239,201)
Total comprehensive income for the year	-	-	-	(239,201)	1,565,785	1,326,584
Contributions by and distributions to owners						
Property revaluation	-	-	-	1,407,067	-	1,407,067
Total transactions with owners	-	-	-	1,407,067	-	1,407,067
At 31 March 2019	216,300	104,675	21,000	1,909,869	14,312,732	16,564,576

The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 April 2017	216,300	104,675	21,000	742,003	12,260,770	13,344,748
Profit for the year	-	-	-	-	486,177	486,177
Total comprehensive income for the year	-	-	-	-	486,177	486,177
Total transactions with owners	-	-	-	-	-	-
At 31 March 2018	216,300	104,675	21,000	742,003	12,746,947	13,830,925

The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	<i>Restated</i> 2018 £
Cash flows from operating activities		
Profit for the financial year	2,042,737	1,080,138
Adjustments for:		
Amortisation of intangible assets	115,641	115,575
Depreciation of tangible assets	226,888	189,475
Increase in stocks	(2,283,150)	(428,092)
Interest paid	71,977	97,022
Interest received	(31,432)	(9,194)
Taxation charge	586,849	312,389
Increase in debtors	(1,234,842)	(2,678,489)
Increase in creditors	3,091,582	693,384
Corporation tax paid	(334,726)	(481,715)
Net cash generated from operating activities	<u>2,251,524</u>	<u>(1,109,507)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(108,128)	(97,641)
Purchase of tangible fixed assets	(211,280)	(139,609)
Interest received	31,432	9,194
Foreign exchange	30,709	(27,386)
Net cash used investing activities	<u>(257,267)</u>	<u>(255,442)</u>
Cash flows from financing activities		
Repayment of loans	(136,158)	(135,558)
Interest paid	(71,977)	(97,022)
Net cash used in financing activities	<u>(208,135)</u>	<u>(232,580)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,786,122</u>	<u>(1,597,529)</u>
Cash and cash equivalents at beginning of year	(132,274)	1,414,023
Foreign exchange gains and losses	60,263	51,232
Cash and cash equivalents at the end of year	<u><u>1,714,111</u></u>	<u><u>(132,274)</u></u>

LIBERTY WINES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

	2019	<i>As restated</i>
	£	2018
		£
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,827,322	1,459,326
Bank overdrafts	(2,113,211)	(1,591,600)
	<u>1,714,111</u>	<u>(132,274)</u>

The notes on pages 20 to 45 form part of these financial statements.

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Liberty Wines Limited is a limited company incorporated in England and Wales, registered number 03293563. The company's registered office is 6 Timbermill Way, London, SW4 6LY.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

The group financial statements consolidate the financial statements of FRS 102 Limited and all its subsidiary undertakings drawn up to 31 March each year.

The individual accounts of FRS 102 Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments in associates

Investments in associates are recognised initially in the consolidated statement of financial position at the transaction price and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the associate, less any impairment.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the associate. Amortisation is charged so as to allocate the cost of goodwill over its estimated useful life, using the straight-line method. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

2.3 Going concern

The Board have prepared and considered trading forecasts and cash flow requirements for the group for a period of 12 months from the date of approval of these financial statements which show that the group has adequate financial resources to continue to operate for the foreseeable future, is financially sound and can support the funding requirements of the group as and when required. Accordingly, the directors continue to adopt the going concern basis for the preparation of these financial statements.

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

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

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group 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.

2.5 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Software development costs	-	3-6 years
Goodwill	-	20 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefitted.

After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight line
Plant and machinery	-	10% to 12.5%	Straight line
Motor vehicles	-	25%	Straight line
Fixtures and fittings	-	14% to 33%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

2.7 Revaluation of tangible fixed assets

Individual freehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in reserves unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 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.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.12 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

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 in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.13 Creditors

Short term 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.

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Finance costs

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

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.16 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit and loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.19 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.21 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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

The company makes judgments and estimations as to the carrying value of the following assets and liabilities;

Fixed Assets: the value of freehold land and buildings is estimated using external valuations and regular reviews of the general UK property market.

Debtors: the provision for trade debtors is based on factors such as the current credit worthiness, age of debt and trading history.

Trade Support: provisions for retrospective discounts and trade support due to customers are based on sales volume, customer agreements and promotional activity.

Investments: the carrying value of investments and recoverability of intercompany balances are estimated considering factors such as current economic climate, recent trading and current forecasts.

Stock: the provision for stock is based on factors such as age, type and trading history.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Premium wine sourcing and distribution	75,010,339	67,937,103
	<u>75,010,339</u>	<u>67,937,103</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	67,562,882	60,103,558
Rest of the world	7,447,457	7,833,545
	<u>75,010,339</u>	<u>67,937,103</u>

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	226,888	189,475
Amortisation of intangible assets, including goodwill	115,641	115,575
Foreign exchange losses/(gains)	(29,568)	171,013

Auditor's remuneration

	2019 £	2018 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	51,380	46,573
Fees payable to the group's auditor for non-audit services to the group	11,990	4,150

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Employees

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

	Group 2019 £	Group 2018 £
Wages and salaries	6,993,416	6,498,364
Social security costs	723,351	675,977
Cost of defined contribution scheme	226,738	168,502
	<u>7,943,505</u>	<u>7,342,843</u>

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

	2019 No.	2018 No.
Administration	49	45
Selling and Distribution	116	105
	<u>165</u>	<u>150</u>

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	847,177	579,159
Company contributions to defined contribution pension schemes	29,618	16,297
	<u>876,795</u>	<u>595,456</u>

During the year retirement benefits were accruing to 5 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £182,037 (2018 - £172,418).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,237 (2018 - £7,186).

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>31,432</u>	<u>9,194</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Bank and loan interest payable	<u>71,977</u>	<u>97,022</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	<u>483,524</u>	<u>231,425</u>
	<u>483,524</u>	<u>231,425</u>
Foreign tax		
Foreign tax on income for the year	<u>79,146</u>	<u>90,034</u>
Total current tax	<u>562,670</u>	<u>321,459</u>
Deferred tax		
Origination and reversal of timing differences	<u>24,179</u>	<u>(9,070)</u>
Total deferred tax	<u>24,179</u>	<u>(9,070)</u>
Taxation on profit on ordinary activities	<u>586,849</u>	<u>312,389</u>

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	Restated 2018 £
Profit on ordinary activities before tax	2,629,586	1,392,527
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	499,621	264,580
Effects of:		
Expenses not deductible for tax purposes	168,323	186,275
Tax losses (utilised)	-	(98,148)
Other timing differences leading to an increase (decrease) in taxation	(32,540)	(16,190)
Difference arising on consolidation	(48,555)	(24,128)
Total tax charge for the year	586,849	312,389

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. Intangible assets

Group

	Software £	Goodwill £	Total £
Cost			
At 1 April 2018	764,175	65,819	829,994
Additions	108,128	-	108,128
At 31 March 2019	872,303	65,819	938,122
Amortisation			
At 1 April 2018	407,246	28,710	435,956
Charge for the year	112,451	3,190	115,641
At 31 March 2019	519,697	31,900	551,597
Net book value			
At 31 March 2019	352,606	33,919	386,525
At 31 March 2018	356,929	37,109	394,038

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Intangible assets (continued)

Company

	Software £
Cost	
At 1 April 2018	758,620
Additions	101,518
At 31 March 2019	860,138
Amortisation	
At 1 April 2018	402,915
Charge for the year	112,451
At 31 March 2019	515,366
Net book value	
At 31 March 2019	344,772
At 31 March 2018	355,705

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income statement in these financial statements. The profit after tax of the parent Company for the year was £1,565,785 (2018 - £486,177).

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Tangible fixed assets

Freehold land and buildings were revalued on an open market existing use basis at 31 March 2019 by independent firm Messrs Jones Lang LaSalle, Chartered Surveyors, in accordance with the Statement of Assets Valuation Practice No. 4. No depreciation is provided in respect of freehold land.

The carrying amount of the freehold property that would be recognised were the asset carried under the cost model would be £3,982,580 (2018: £3,922,611).

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2018	4,713,122	1,066,638	53,395	439,728	6,272,883
Additions	61,130	8,012	15,640	126,498	211,280
Revaluations	1,407,067	-	-	-	1,407,067
At 31 March 2019	6,181,319	1,074,650	69,035	566,226	7,891,230
Depreciation					
At 1 April 2018	48,508	564,514	35,812	255,518	904,352
Charge for the year	1,161	109,754	10,811	105,162	226,888
At 31 March 2019	49,669	674,268	46,623	360,680	1,131,240
Net book value					
At 31 March 2019	6,131,650	400,382	22,412	205,546	6,759,990
At 31 March 2018	4,664,614	502,124	17,583	184,210	5,368,531

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2018	4,713,122	1,019,968	53,395	437,995	6,224,480
Additions	61,130	4,347	15,640	126,768	207,885
Revaluations	1,407,067	-	-	-	1,407,067
At 31 March 2019	6,181,319	1,024,315	69,035	564,763	7,839,432
Depreciation					
At 1 April 2018	48,508	527,144	35,812	254,055	865,519
Charge for the year	1,161	103,144	10,811	105,162	220,278
At 31 March 2019	49,669	630,288	46,623	359,217	1,085,797
Net book value					
At 31 March 2019	6,131,650	394,027	22,412	205,546	6,753,635
At 31 March 2018	4,664,614	492,824	17,583	183,940	5,358,961

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Willunga Hundred Pty Limited	Australia	Wine production	Ordinary	75%
Liberty Wines Ireland Limited	Republic of Ireland	Wine distribution	Ordinary	100%
Tinpot Hut Wines Limited	New Zealand	Wine production	Ordinary	50%
Terre Dei Templari SRL	Italy	Wine production	Ordinary	100%
Alpha Zeta SRL	Italy	Wine distribution	Ordinary	100%
Terrapieno	Italy	Wine distribution	Ordinary	25%

The aggregate of the share capital and reserves for the subsidiary undertakings as at 31 March 2019 was £1,796,053 (2018: £1,766,290) and the aggregate of the profit or loss for the year ended on that date was £925,776 (2018: £815,997).

The group held investments in other participating interests of £19,887 (2018: £19,887) at the balance sheet date.

15. Stocks

	Group	<i>Group Restated</i>	Company	<i>Company</i>
	2019	2018	2019	2018
	£	£	£	£
Wine	11,796,517	9,513,367	9,957,179	7,854,876
	11,796,517	9,513,367	9,957,179	7,854,876

The amount of stocks recognised as an expense during the year was £63,426,579 (2018: £57,574,068 restated).

The difference between purchase price or production cost of stocks and their replacement cost is not material.

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	14,622,392	13,533,209	13,123,699	12,278,079
Amounts owed by group undertakings	-	-	660,331	1,346,396
Amounts owed by associate undertakings	19,358	-	-	-
Other debtors	29,617	153,291	6,579	19,804
Prepayments and accrued income	736,651	535,881	694,294	504,757
	<u>15,408,018</u>	<u>14,222,381</u>	<u>14,484,903</u>	<u>14,149,036</u>

In the Company the directors re-assessed the loan balance value in response to historic underperformance and have impaired the intercompany loan balance in Willunga to £1, from £562,385.

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	3,827,322	1,459,326	2,990,318	961,435
Less: bank overdrafts	(2,113,211)	(1,591,600)	(1,826,252)	(1,307,283)
	<u>1,714,111</u>	<u>(132,274)</u>	<u>1,164,066</u>	<u>(345,848)</u>

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	2,113,211	1,591,600	1,826,252	1,307,283
Bank loans	141,942	140,445	141,942	140,445
Trade creditors	12,273,728	9,395,921	11,290,527	8,127,432
Amounts owed to group undertakings	-	-	187,786	1,238,401
Corporation tax	291,884	87,950	199,389	29,885
Taxation and social security	1,727,828	1,566,074	1,796,708	1,552,084
Fair value of financial instruments	94,005	124,572	94,005	124,572
Other creditors	636,881	607,952	523,596	484,850
Accruals and deferred income	955,173	767,495	570,984	634,819
	<u>18,234,652</u>	<u>14,282,009</u>	<u>16,631,189</u>	<u>13,639,771</u>

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

19. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans	224,711	226,391	-	-
Bank loans	788,562	926,217	788,562	926,217
	1,013,273	1,152,608	788,562	926,217

20. Loans

The bank loan of £930,504 is repayable by monthly instalments, commencing thirteen months after draw down and bears interest of 2.5% above HSBC bank's sterling base rate. The loan is secured by a fixed and floating charge over the assets of the company, an unlimited composite guarantee provided by Liberty Wines Ireland Limited and a first legal charge over freehold land and buildings. The loan is repayable by 24 September 2032.

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	141,942	140,445	141,942	140,445
	141,942	140,445	141,942	140,445
Amounts falling due after more than one year				
Bank loans	788,562	926,217	788,562	926,217
Other loans	224,711	226,391	-	-
	1,013,273	1,152,608	788,562	926,217
	1,155,215	1,293,053	930,504	1,066,662

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

21. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>18,498,689</u>	<u>14,149,633</u>	<u>16,780,927</u>	<u>12,601,215</u>
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	(94,005)	(124,572)	(95,005)	(124,572)
Financial liabilities measured at amortised cost	<u>(18,862,036)</u>	<u>(14,260,660)</u>	<u>(17,126,357)</u>	<u>(12,407,032)</u>
	<u><u>(18,768,031)</u></u>	<u><u>(14,136,088)</u></u>	<u><u>(17,031,352)</u></u>	<u><u>(12,282,460)</u></u>

Financial assets measured at amortised cost comprise trade debtors, cash and cash equivalents, amounts owed by group entities and other debtors.

Financial liabilities measured at fair value through profit or loss comprise the fair value of forward contract liabilities.

Financial liabilities measured at amortised cost comprise trade creditors, bank overdrafts and loans, amounts owed to group undertakings, other creditors and accruals.

22. Provisions

Group

	2019 £	2018 £
At beginning of year	(358,834)	(367,904)
Charged to profit or loss	(24,179)	9,070
Charged to other comprehensive income	(239,201)	-
At end of year	<u><u>(622,214)</u></u>	<u><u>(358,834)</u></u>

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Provisions (continued)

Company

	2019 £	2018 £
At beginning of year	(358,834)	(367,904)
Charged to profit or loss	(24,179)	9,070
Charged to other comprehensive income	(239,201)	-
At end of year	(622,214)	(358,834)

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(234,563)	(209,382)	(234,563)	(209,382)
On property revaluation	(393,031)	(153,830)	(393,031)	(153,830)
Other timing differences	4,989	3,987	4,989	3,987
Tax losses carried forward	391	391	391	391
	(622,214)	(358,834)	(622,214)	(358,834)

23. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
216,300 (2018 - 216,300) Ordinary shares of £1.00 each	216,300	216,300

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

24. Reserves

Share premium account

Proceeds received in addition to the nominal value of the shares issued have been included in share premium.

Revaluation reserve

The balance on the reserve represents the fair value of the freehold property in excess of the depreciated cost.

Capital redemption reserve

The nominal value of shares redeemed following a share buyback.

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Related party transactions

Details of subsidiary undertakings are set out in note 14. In accordance with FRS102, the company has taken advantage of the exemptions and has not disclosed the transactions between group entities where the company owns 100% of share capital.

During 2014, the company's subsidiary, Willunga Hundred Pty Limited, received a loan of A\$413,000 from WineConsult Limited. The loan was extended by 1 year to 28 February 2021 and interest is charged at 4%. Interest of £9,097 was charged during the year (2018: £9,559) with £2,071 accrued at the Balance Sheet date (2018: £Nil). The balance of the loan was £224,711 (2018: £226,391) at the Balance Sheet date.

During the year the company made purchases of £161,485 (2018: £227,030) from Willunga Hundred Pty Limited and made sales of £39,330. The company had net trading balances of £13,614 (2018: £47,584) owed to Willunga Hundred Pty limited and loan balances of £1 (2018: £562,385) owed by Willunga Hundred Pty Limited at the Balance Sheet date of which £nil (2017 £530,413) is shown as falling due after more than one year.

During the year the company made purchases of £139,161 (2018: £188,718) and sales of £Nil (2018: £nil) from /to Shaw and Smith Pty Limited, a company registered in Australia in which the director MS Hill Smith has an interest. The company had balance of £12,166 (2018: £7,517) with Shaw and Smith Pty Limited at the Balance Sheet date.

During the year the company made purchases of £35,667 (2018: nil) and sales of £Nil (2018: £nil) from /to Tolpuddle Vineyard Pty Limited, a company registered in Australia in which the director MS Hill Smith has an interest. The company had balance of £11,996 (2018: nil) with Tolpuddle Vineyard Pty Ltd at the Balance Sheet date.

During the year the company made purchases of £21,600 (2018:nil) from Blindspot, a company registered in Australia in which David Gleave and John Radcliffe have an interest. The balance owing at the year end is £21,600.

LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

25. Related party transactions (continued)

During the year the company made purchases of £499,083 (2018: £681,230) from Tinpot Hut Wines Limited. The company had trading balances of £120,773 (2018: £103,438) owed to Tinpot Hut Wines Limited at the Balance Sheet date. The company also had a loan balances of £268,908 (2018: £310,164) owed by Tinpot Hut Wines Limited at the Balance Sheet date.

During the year, the company's subsidiary Tinpot Hut Wines Limited, made purchases of £81,068 with KO Wine Consultants. The Tinpot Hut director, Fiona Turner is a director of both companies. At the year end there was a £7,713 balance outstanding.

During the year, the company's subsidiary Tinpot Hut Wines Limited, made purchases of £81,156 from Turner Vineyards. At the year end there was £nil balance outstanding.

During the year the company made purchases of £5,539,356 (2018: £6,268,608) and sales of £325,686 (2018: £1,476,903) to Sogrape Vinhos SA a company registered in Portugal that acquired a majority stake in Liberty Wines UK Limited after the balance sheet date. The company had trading balances of £1,200,719 (2018: £1,319,720) owed to Sogrape Vinhos SA at the Balance Sheet date and amounts owed of £12,946 (2018: nil). There were also several other companies that Sogrape Vinhos SA has equity share capital in that the company also traded within the year:

	Purchases	Sales	Balance
Finca Flichman SA	(365,993)	5,863	(52,072)
Sandeman Jerez SL	(9,458)	-	(1,971)
Framingham Wines Ltd	(442,215)	19,645	(55,293)
Bodegas LAN	(276,216)	-	(32,900)
Vina LOS Boldos Ltda	(184,131)	6,723	(4,615)
SoGrape UK	(84)	-	-

The cost of remunerating key management for the year was £876,795 (2018: £595,456).

26. Transactions with directors

During the year the directors received a dividend of £Nil (2018: £Nil) from the company. No share options were granted to directors during the year.

27. Guarantees with commitments

Pursuant to Section 357 of the Irish Companies Act 2014, Liberty Wines Limited irrevocably guarantees the liabilities of Liberty Wines Ireland Limited for the year ended 31 March 2019. Liberty Wines Ireland Limited is availing of the exemption under that Act to not file company financial statements.

28. Capital commitments

Capital expenditure commitments for expenditure on tangible fixed assets not provided for in these consolidated financial statements are £Nil (2018: £Nil).

LIBERTY WINES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

29. Ultimate controlling party

At the date of these financial statements, the ultimate controlling party is Sogrape SGPS SA.

30. Post balance sheet events

On 26 June 2019, Sogrape Sogrape S.G.P.S. S.A. acquired a controlling share of the Group. From this date, control passed to Sogrape S.G.P.S. S.A. through its subsidiary IW Investments S.A.

31. Prior year restatement

The group cost of sales and stock figures have been restated by £126,972 to the figures reported in the 31 March 2018 financial statements. This is for profit on intercompany stock, which was incorrectly not eliminated on consolidation.

The impact is to reduce stock and profits in the comparative period, which has an impact on the brought forward reserves at the start of the current period. There is no cash impact.