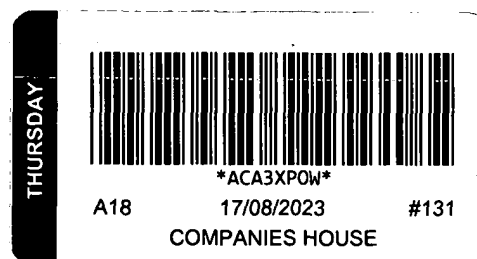


**Liberty Wines Limited**  
Annual report and financial  
statements  
For the year ended 31 March 2023

Registered number 03293563



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## Company information

<b>Directors</b>	D Gleave MS Hill Smith RJ Ratcliffe VJ Nobles AJ Knott TMF Platt DBG Lafaurie RF Seabra BB Faro J Ramos
<b>Company secretary</b>	N Gutman
<b>Registered number</b>	03293563
<b>Registered office</b>	6 Timbermill Way London SW4 6LY
<b>Independent auditor</b>	KPMG 1 Stokes Place St. Stephen's Green Dublin 2 Ireland D02 DE03
<b>Banker</b>	HSBC UK Bank plc 1 Centenary Square Birmingham, B1 1HQ

## Group Strategic Report

### Introduction

Since its formation in 1997, Liberty Wines has sourced wines for its broad customer base. The group's customers include some of the UK's and Ireland's best restaurants, bars, hotels and independent retail outlets. Celebrating its 26<sup>th</sup> year of operation, Liberty Wines continues to win awards, including 'IWSC Wine Distributor of the Year', 'IWC Merchant of the Year' and 'The Drinks Business Drinks Company of the Year'.

### Business review

The business has performed well this year, building on the extraordinary performance of 2022. There have been challenges however, most notably inflationary pressures on operational overheads and impact on sales from the 'Cost of living crisis'. Despite these, revenue rose 3.0% to £105,537k. Although profit before tax was down £1,756k on 2022 at £6,776k, comparing to the years before the Pandemic, where the average Group profit before tax was in the region of three to four million pounds, Liberty Wines group is significantly more profitable.

The most important milestone for the company in the year ended 31 March 2023 was establishing our new national Distribution Centre. The purpose of this site is to take greater control of the 'customer journey', enhancing the company's award-winning customer service and staying ahead of the competition. This is the most significant operational development the company has ever made and sets the stage for the next 26 years of growth.

Success this year has mainly come from growth in the on-trade channel. The on-trade experienced 24% growth from 2022, with strong growth across restaurants and hotels. The off-trade has been most heavily impacted by the 'Cost of living crisis', particularly in lower price bands.

Across the regions, fortunes were more mixed. The Summer saw UK holiday regions continuing to trade well, but independent wine merchants could not replicate the extraordinary successes of the previous two years. One constant was the performance of the on-trade, continuing to be driven by consumers enjoying hospitality they had missed in the Pandemic years. Liberty Wines portfolio tastings in September 2022 and January 2023, along with roadshows in Manchester, Edinburgh and Dublin had record attendance.

Sales performance was particularly strong in London – showing a welcome continuation from 2022. New openings, as well as established names, thrived and were well supported by the investments Liberty Wines made to both the Sales team and stock availability.

Turnover for the year rose by 3.0% to £105,537k, as noted above, while EBITDA fell by 11.5% to £7,355k. It should be noted that since 2021 Turnover and Cost of Sales are both shown excluding Excise Duty – there is no impact on Gross margin.

The results of the group are set out on pages 16-17. Financial headlines include:

Turnover	£105,537k (+3.0%)	2022: £102,451k (+57.2%)
Gross Margin	£24,284k (+5.8%)	2022: £22,965k (+243.8%)
EBITDA	£7,355k (-11.5%)	2022: £8,327k (+319.7%)

### Streamlined Energy & Carbon Reporting (SECR)

The GHG emissions have been assessed following the GHG Protocol Corporate Standard and has used the 2022 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows both the market-based and location-based approaches for assessing Scope 2 emissions from electricity usage. The financial control approach has been used.

The table below summarises the GHG emissions for reporting year: **1st January 2022 to 31st December 2022**. As a business we have been assessing our carbon emissions since 2014 (with 2017 as the new baseline year) and have provided this baseline year and last year's assessment results for comparison. Note: the data period used is different to Liberty Wines' financial year (1st April to 31st March) to remain consistent with previous greenhouse gas assessments the company has done. The results below show SECR-related elements only (energy and grey fleet travel for UK operations).

We are delighted to be able to show we have reduced our greenhouse gas location-based intensity ratio by 12.2% since last year, to 1.79 tonnes CO<sub>2</sub>e per £1m of revenue. This has been achieved by implementing several energy and carbon savings measures. We have a 100% renewable energy supply at our London site and now have solar panels covering the roof – these will save over 19 tonnes of CO<sub>2</sub>e each year. The new Distribution Centre was constructed with a small number of solar panels – it is our intention to add to these in the near future.

Scope	Activity	Location-based (tCO <sub>2</sub> e)	Market-based (tCO <sub>2</sub> e)
Scope 1	Refrigerants	0	0
<b>Scope 1 Sub Total</b>		<b>0</b>	<b>0</b>
Scope 2	Electricity generation	83.21	10.76
<b>Scope 2 Sub Total</b>		<b>83.21</b>	<b>10.76</b>
Scope 3	Employee-owned car travel (grey fleet)	73.71	73.71
<b>Scope 3 Sub Total</b>		<b>73.71</b>	<b>73.71</b>
		<b>156.92</b>	<b>84.46</b>
<b>Total tonnes of CO<sub>2</sub>e (mandatory SECR only emissions*)</b>			
<b>Tonnes of CO<sub>2</sub>e per employee*</b>		<b>0.76</b>	<b>0.41</b>
<b>Tonnes of CO<sub>2</sub>e per £M turnover*</b>		<b>1.79</b>	<b>0.97</b>
<b>Kilograms of CO<sub>2</sub>e per 9 litre case*</b>		<b>0.21</b>	<b>0.11</b>
<b>Energy consumption (kWh)*</b>		<b>740,661</b>	

Activity	Baseline Year 2017	Previous Year 2021	Current Year 2022
Total energy consumed (kWh)	930,270	661,898	740,661
Total Gross Location-Based Emissions (tCO <sub>2</sub> e)	257.91	144.24	156.92
<b>Total Gross Market-Based Emissions (tCO<sub>2</sub>e)</b>	<b>263.64</b>	<b>56.01</b>	<b>84.46</b>
Purchased carbon offsets (tCO <sub>2</sub> e)	>264†	>57†	>85†
<b>Total Net Market-Based Emissions (tCO<sub>2</sub>e)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Intensity ratio: tCO <sub>2</sub> e (gross SECR emissions, location-based) per £M revenue	5.49	2.01	1.79
Intensity ratio: tCO <sub>2</sub> e (gross SECR emissions, market-based) per £M revenue	5.41	0.78	0.97

† Liberty Wines has purchased additional carbon credits to neutralise other elements of its footprint not reported here.

Liberty Wines became the first UK premium wine distributor to achieve carbon neutral status in 2014 and continues to hold that status, expanding certification to include our Irish operations in 2015. In 2021, we took our environmental commitment a stage further by achieving carbon neutral plus status. Our environmental programme includes tracking and reducing our carbon footprint as well as offsetting emissions, meaning every bottle is transported from winery to customer while reducing carbon from the atmosphere. The company remains committed to its environmental programme and each year implements new initiatives.

### Principal risks and uncertainties

The increased bureaucracy of processing paperwork with national agencies after the UK's exit from the EU, plus the depreciation of Sterling continues to impact the company. The aftermath of the COVID-19 pandemic continues to cause disruption to global supply chains. The business maintains long-held relationships with its producers and hauliers to ensure any disruption is kept to a minimum.

With a strong trading year behind us the balance sheet is in good shape. The company borrowed three million pounds to finance the fit-out of the new Distribution Centre, but had no need to borrow for operational reasons. We pay close attention to the medium and long term financial forecasts which are regularly reviewed by the executive. Current forecasts have assumed a return to the long term pattern of growth.

Other key risks that the business actively manages to minimise their financial impact 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 and maintaining 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** – The uncertainty of the current economic environment is challenging, however 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.

### **Going Concern**

The financial projections 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.

The Directors have performed a going concern assessment for a period up to 30 September 2024, which indicates that the Group will have sufficient funds to trade and settle its liabilities as they fall due. Various measures have been taken to ensure the business has adequate cash reserves to support any loss-making periods contemplated by the financial forecasts. The Directors consider the likelihood of these downside scenarios to be remote, however the Group would still have adequate resources to be able to trade and settle its liabilities as they fall due should these events occur.

Furthermore, the business has a natural hedge in so far as downturns in hospitality have been partly offset by enhanced trading with the off trade. This is based on experience of the last two years and therefore gives comfort to the Directors. The company's bank is willing to extend working capital facilities in excess of un-utilised funds should the business need arise. These Accounts show the Group has grown Net Assets and Cash over the last twelve months, responding well to the opportunities in the market. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these financial statements.

### **Section 172 statement**

The Directors of Liberty Wines believe that they have effectively implemented their duties under Section 172 of the Companies Act 2006. The Directors recognise the responsibility to its wider stakeholders in delivery of its business plan.

The company excels at customer service and regularly reviews its proposition to ensure its relevance in a competitive market. Its understanding of what makes a compelling service offer is fundamental to the success of Liberty Wines.

In ensuring that all its stakeholders are considered in important decision making the Board and Senior Management Team engage with the wider stakeholder groups in a number of ways.

### **Engagement with customers**

The business engages with its customers daily to ensure the right wines are available in the right quantities to meet the needs of their operation. The winning of industry awards over many years is testament to the effectiveness of this activity.

### **Engaging with its employees**

The company has made every effort to engage with staff. Working in large open plan offices for staff irrespective of seniority and ensuring staff working away from the office are included maintains a connectedness of staff across the management levels. The business also engages more formal tools such as annual staff surveys, and bi-monthly company updates to apprise staff of company performance as well as recognise outstanding contributions from teams and individuals. The business also maintains an Investors In People certification which has been renewed in 2022.

### **Engaging with its Suppliers**

Key to the success of Liberty Wines is the quality of the wine that it supplies from around the world. Many of its producers have been with the business since its incorporation 26 years ago. The support that Liberty Wines provides these suppliers is validated by the many long-standing relationships it has.

### **Engagement with Banks and Insurers**

The business has a well-managed balance sheet and bank borrowings are low relative to the net assets. Despite this the Chief Operating Officer maintains regular meetings with its bankers to keep them up to date with trading performance. Strong relationships are also maintained with its insurance brokers and are regularly reviewed, resulting in new insurance brokers for the forthcoming year. This ensures we continue to gain maximum value from the insurance portfolio.

### **Engaging with its Shareholders**

The Executive Board meet key shareholders every quarter to apprise them of the latest financial results and key commercial activities.

### **Engaging with Government**

The company are a member of the Wine and Spirit Trade Association, who engage with Government and others to campaign for a vibrant and sustainable wine and spirit industry. Through our membership we support these aims.

This report was approved by the board on 31<sup>st</sup> July 2023 and signed on its behalf.

  
**AJ Knott**  
Director



## Directors' report

The Directors present their report and the financial statements for the year ended 31 March 2023.

### 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 financial year, after taxation and interests, amounted to £5,216,517 (2022: £6,840,199).

A dividend of £Nil (2022: £Nil) was paid during the year. The Directors do not recommend the payment of a final dividend (2022: £Nil).

### Directors

The Directors who served during the year were:

D Gleave  
AJ Knott  
TMF Platt  
DBG Lafaurie  
MS Hill Smith  
RJ Ratcliffe  
VJ Nobles  
RF Seabra  
BDBE Faro  
J Ramos

### Charitable Donations

During the year the group made charitable contributions of £10,642 (2022: £17,445), principally to local charities serving the communities in which the group operates and The Drinks Trust drinks industry charity.

### Political contributions

The group made no political donations or incurred any political expenditure during the year.

### Subsequent events

There are no relevant subsequent events.

## **Directors interest**

No director had a material interest at any time during the year in any contract of significance, other than a service contract, with the company or any of its subsidiary undertakings.

## **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 2023 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.

**Warehousing:** To ensure the continued growth and expansion of the business, Liberty Wines have constructed a new 98,000 ft<sup>2</sup> national Distribution Centre in Basingstoke. This warehouse space is now in use and will set the stage for future growth.

**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.

Liberty Wines also has an award-winning education team, working with customers to enhance wine knowledge across the industry and support customers to sell our wines.

**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 the 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 that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and

that 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial

information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**

The auditor, KPMG, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 31<sup>st</sup> July 2023 and signed on its behalf.



**AJ Knott**  
Director

## Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities, and financial position of the Company and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

### On behalf of the board



**AJ Knott**  
Director

Date 31-07-23



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

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

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Liberty Wines Limited ('the Group' and 'the Company') for the year ended 31 March 2023 set out on pages 16 to 49 which comprise the Consolidated statement of comprehensive income, the Consolidated statement of other comprehensive income, the Consolidated and Company statement of financial position, the Consolidated statement of cash flows, the Consolidated and Company statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion:

- the financial statements give a true and fair view of the state of the Group and Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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**

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

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

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.



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

**Report on the audit of the financial statements (continued)**

**Conclusions relating to going concern (continued)**

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 the date 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.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

**Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company and Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company and Group's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company and the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation as well as taxation and distributable profits legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company and the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law, licencing regulations, and alcohol law.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition.



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

**Report on the audit of the financial statements (continued)**

***Detecting irregularities including fraud (continued)***

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

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

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

***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

***Opinions on other matters prescribed by the Companies Act 2006***

Based solely on our work on the other information undertaken during the course of the audit:

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

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



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

**Respective responsibilities and restrictions on use**

We have nothing to report in these respects.

***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

***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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

Our 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.

14 August 2023

Signature:  
Niall Savage (Senior Statutory Auditor)  
for and on behalf of  
KPMG, Statutory Auditor  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03



## Consolidated Income Statement

For the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	105,537,243	102,450,564
Cost of sales		<u>(81,253,555)</u>	<u>(79,485,798)</u>
<b>Gross profit</b>		<b>24,283,688</b>	<b>22,964,766</b>
Distribution costs		(9,577,021)	(6,849,053)
Administrative expenses		(7,351,245)	(8,153,344)
Other operating income	5	<u>-</u>	<u>53,230</u>
<b>Operating profit</b>	6	<b>7,355,422</b>	<b>8,015,599</b>
Fair value adjustment for forward contracts		(444,591)	617,770
Interest receivable and similar income	10	64,931	58,730
Interest payable and similar expenses	11	<u>(199,601)</u>	<u>(160,416)</u>
<b>Profit before tax</b>		<b>6,776,161</b>	<b>8,531,683</b>
Tax on profit	12	<u>(1,503,938)</u>	<u>(1,637,003)</u>
<b>Profit for the financial year</b>		<b><u>5,272,223</u></b>	<b><u>6,894,680</u></b>
Non- controlling interest		(55,706)	(54,481)
<b>Profit for the financial year attributable to owners of the parent Company</b>		<b><u>5,216,517</u></b>	<b><u>6,840,199</u></b>

The notes on pages 25 to 49 form part of these financial statements.

## Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 £	2022 £
Profit for the financial year		<u>5,272,223</u>	<u>6,894,680</u>
<b>Other comprehensive income</b>			
Revaluation reserve		(42,967)	3,672,244
Currency translation differences		<u>63,802</u>	<u>(9,008)</u>
<b>Other comprehensive income for the year</b>		<u>20,835</u>	<u>3,663,236</u>
<b>Total comprehensive income for the year</b>		<u><b>5,293,058</b></u>	<u><b>10,557,916</b></u>
<b>Profit for the year attributable to:</b>			
Non- controlling interest		55,706	54,481
Owners of the parent Company		<u>5,216,517</u>	<u>6,840,199</u>
		<u><b>5,272,223</b></u>	<u><b>6,894,680</b></u>

The notes on pages 25 to 49 form part of these financial statements.


## Consolidated Statement of Financial Position

For the year ended 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	13-14	602,374	323,781
Tangible assets	16	15,964,674	11,547,128
Investments	17	244,819	244,180
		<u>16,811,867</u>	<u>12,115,089</u>
<b>Current assets</b>			
Stocks	19	21,307,540	18,906,329
Debtors: amounts falling due within one year	20	20,183,863	20,399,524
Cash at bank and in hand	21	6,824,694	5,876,670
		<u>48,316,097</u>	<u>45,182,523</u>
Creditors: amounts falling due within one year	22	(21,389,958)	(21,941,481)
<b>Net current assets</b>		<u>26,927,740</u>	<u>23,241,042</u>
<b>Total assets less current liabilities</b>		<u>43,739,607</u>	<u>35,356,131</u>
Creditors: amounts falling due after more than one year	23	(2,561,654)	(341,402)
Provisions for liabilities	23	(1,300,000)	(1,186,000)
Deferred tax liability	26	(2,678,005)	(1,921,655)
<b>Net assets</b>		<u>37,199,948</u>	<u>31,907,074</u>
<b>Capital and reserves</b>			
Share capital	27	218,616	218,616
Share premium	28	214,616	214,616
Revaluation reserve	28	5,539,146	5,582,113
Capital redemption reserve	28	21,000	21,000
Retained earnings	28	30,984,815	25,704,680
<b>Equity attributable to owners of the parent Company</b>		<u>36,978,193</u>	<u>31,741,025</u>
Non- controlling interests		<u>221,755</u>	<u>166,049</u>
<b>Shareholders' funds</b>		<u>37,199,948</u>	<u>31,907,074</u>

The notes on pages 25 to 49 form part of these financial statements.

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

  
**AJ Knott**  
Director 31-07-23

## Company Statement of Financial Position

For the year ended 31 March 2023

		2023 £	2022 £
	Note		
<b>Fixed assets</b>			
Intangible assets	13-14	602,337	322,835
Tangible assets	16	15,957,409	11,536,707
Investments	17	295,129	294,490
		<u>16,854,875</u>	<u>12,154,032</u>
<b>Current assets</b>			
Stocks	19	20,037,076	17,509,948
Debtors: amounts falling due within one year	20	19,844,347	20,275,608
Cash at bank and in hand	21	5,072,625	4,448,126
		<u>44,954,048</u>	<u>42,233,682</u>
Creditors: amounts falling due within one year	22	(21,195,092)	(20,769,110)
<b>Net current assets</b>		<u>24,758,956</u>	<u>21,464,572</u>
<b>Total assets less current liabilities</b>		<u>41,613,831</u>	<u>33,618,604</u>
Creditors: amounts falling due after more than one year	23	(2,561,654)	(341,402)
Provisions for liabilities	23	(1,300,000)	(1,186,000)
Deferred tax liability	26	(2,678,005)	(1,921,655)
<b>Net assets</b>		<u>35,074,172</u>	<u>30,169,547</u>
<b>Capital and reserves</b>			
Share capital	27	218,616	218,616
Share premium	28	214,616	214,616
Revaluation reserve	28	5,539,146	5,582,113
Capital redemption reserve	28	21,000	21,000
Retained earnings	28	29,080,794	24,133,202
<b>Shareholders' funds</b>		<u>35,074,172</u>	<u>30,169,547</u>

The notes on pages 25 to 49 form part of these financial statements.

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

  
**AJ Knott**  
Director

31-07-23

## Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

	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 2022	218,616	214,616	21,000	5,582,113	25,704,680	31,741,025	166,049	31,907,074
Profit for the year					5,216,517	5,216,517	55,706	5,272,223
Revaluation reserve				(42,967)		(42,967)		(42,967)
Currency translation differences					63,802	63,802		63,802
<b>Total comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(42,967)</b>	<b>5,280,319</b>	<b>5,237,352</b>	<b>55,706</b>	<b>5,293,058</b>
<b>Total transactions with owners</b>						<b>0</b>		
<b>At 31 March 2023</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>5,539,146</b>	<b>30,984,815</b>	<b>36,978,193</b>	<b>221,755</b>	<b>37,199,948</b>

The notes on pages 25 to 49 form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
On 1 April 2021	218,616	214,616	21,000	1,909,869	18,873,489	21,237,590	111,568	21,349,158
Profit for the year					6,840,199	6,840,199	54,481	6,894,680
Revaluation reserve				3,672,244		3,672,244		3,672,244
Currency translation differences					(9,008)	(9,008)		(9,008)
<b>Total comprehensive income for</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,672,244</b>	<b>6,831,191</b>	<b>10,503,435</b>	<b>54,481</b>	<b>10,557,916</b>
<b>Total transactions with owners</b>						0		
<b>On 31 March 2022</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>5,582,113</b>	<b>25,704,680</b>	<b>31,741,025</b>	<b>166,049</b>	<b>31,907,074</b>

The notes on pages 25 to 49 form part of these financial statements.

## Company Statement of Changes in Equity

For the year ended 31 March 2023

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 April 2022	218,616	214,616	21,000	5,582,113	24,133,202	<b>30,169,547</b>
Profit for the year					4,947,592	<b>4,947,592</b>
Revaluation reserve				(42,967)		<b>(42,967)</b>
<b>Total comprehensive income</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>5,539,146</b>	<b>29,080,794</b>	<b>35,074,172</b>
<b>Total transactions with owners</b>						
<b>At 31 March 2023</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>5,539,146</b>	<b>29,080,794</b>	<b>35,074,172</b>

The notes on pages 25 to 49 form part of these financial statements.

## Company Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total equity £
On 1 April 2021	218,616	214,616	21,000	1,909,869	17,770,710	20,134,811
Profit for the year					6,362,492	6,362,492
Revaluation reserve				3,672,244		3,672,244
<b>Total comprehensive income</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>5,582,113</b>	<b>24,133,202</b>	<b>30,169,547</b>
<b>Total transactions with owners</b>						
<b>On 31 March 2022</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>5,582,113</b>	<b>24,133,202</b>	<b>30,169,547</b>

The notes on pages 25 to 49 form part of these financial statements.



## Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	5,272,223	6,840,199
<b>Adjustments for:</b>		
Amortisation of intangible assets	100,605	52,855
Depreciation of tangible assets	355,709	395,791
(Gain) / Loss on disposal of tangible assets	(303)	47,756
Foreign exchange	444,591	(617,770)
Interest paid	199,601	160,416
Interest received	(64,931)	(58,730)
Taxation charge	1,505,512	1,637,320
(Increase) / decrease in stocks	(2,401,211)	(5,859,405)
(Increase) / decrease in debtors	142,701	(8,988,261)
Increase / (decrease) in creditors	(488,066)	9,550,266
Corporation tax ( paid)	(1,657,805)	(807,204)
<b>Net cash generated from operating activities</b>	<b>3,407,052</b>	<b>2,353,233</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(379,198)	(206,375)
Purchase of tangible fixed assets	(4,773,256)	(201,191)
Interest received	64,931	58,730
<b>Net cash from investing activities</b>	<b>(5,087,523)</b>	<b>(348,826)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	-
New loans	3,000,000	-
Repayment of loans	(233,684)	(152,723)
Interest paid	(199,601)	(160,416)
<b>Net cash used in financing activities</b>	<b>2,566,715</b>	<b>(313,139)</b>
<b>Net Increase in cash and cash equivalents</b>	<b>886,244</b>	<b>1,691,268</b>
Cash and cash equivalents at beginning of year	5,876,670	4,209,039
Foreign exchange gains and losses	61,780	(23,627)
<b>Cash and cash equivalents at the end of year</b>	<b>6,824,694</b>	<b>5,876,670</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	6,824,694	5,876,670
Bank overdrafts	-	-
	<b>6,824,694</b>	<b>5,876,670</b>

The notes on pages 25 to 49 form part of these financial statements.

## Notes to the Financial Statements

### 1 General Information

Liberty Wines Limited is a limited company incorporated, domiciled, and registered in England and Wales. The registered number is 03293563 and the registered address 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 Liberty Wines Limited and all its subsidiary undertakings drawn up to 31 March each year.

The individual accounts of Liberty Wines 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.

#### 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.

## **Notes to the Financial Statements** *(continued)*

### **2 Accounting policies** *(continued)*

#### **2.2 Basis of Consolidation** *(continued)*

##### **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 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 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 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 Measurement convention**

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and tangible fixed assets in accordance with the revaluation model.

#### **2.4 Going concern**

The financial projections 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.

The Directors have performed a going concern assessment for a period up to 30 September 2024, which indicates that the Group will have sufficient funds to trade and settle its liabilities as they fall due. Various measures have been taken to ensure the business has adequate cash reserves to support any loss-making periods contemplated by the financial forecasts. These forecasts consider multiple scenarios, including further periods of closure to the on-trade for which we have direct experience of in the last financial year, confirming the robustness of these forecasts.

## **Notes to the Financial Statements** *(continued)*

### **2 Accounting policies** *(continued)*

#### **2.4 Going concern** *(continued)*

The Directors consider the likelihood of these downside scenarios to be remote, however the Group would still have adequate resources to be able to trade and settle its liabilities as they fall due should these events occur.

Furthermore, the business has a natural hedge in so far as downturns in hospitality have been partly offset by enhanced trading with the off trade. This is based on experience of the last eighteen months and therefore gives comfort to the Directors. The company's bank is willing to extend working capital facilities in excess of un-utilised funds should the business need arise. These Accounts show the Group has grown Net Assets and Cash over the last twelve months, in extremely challenging trading conditions. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these financial statements.

#### **2.5 Foreign currency**

##### **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. Nonmonetary 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 are shown within "Administrative Expenses".

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.

The Group only enters 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.

## Notes to the Financial Statements *(continued)*

### 2 Accounting policies *(continued)*

#### 2.5 Foreign Currency *(continued)*

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.

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 approximates 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.

#### Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. After initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

## Notes to the Financial Statements *(continued)*

### **2 Accounting policies *(continued)***

#### **2.6 Basic financial instruments**

##### **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.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

The entity has several bank accounts with same bank in different currencies. Considering the timing of payments and receipts some of these individual accounts may be on a temporary negative position considering that the overall bank balance is positive. The company presents these bank accounts net as the company and the bank analyses the combined bank exposure together, the potential overdrafts are collateralized by the accounts that present positive balances, the net position is required to be within the agreed overdraft limit, and the company has the right and intention to treat and settle the balances on a net basis.

#### **2.7 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 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.

## **Notes to the Financial Statements** *(continued)*

### **2 Accounting policies** *(continued)*

#### **2.8 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.

#### **2.9 Intangible assets**

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

Amortisation is charged 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 costs - 3-6 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.

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.

#### **2.10 Valuation of Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **2.11 Discontinued operations**

Discontinued operations are components of the Company that have been disposed of at the reporting date and previously represented a separate major line of business or geographical area of operation.

They are included in the profit and loss account in a separate column for the current and comparative periods, including the gain or loss on sale or impairment loss on abandonment.

## Notes to the Financial Statements *(continued)*

### 2 Accounting policies *(continued)*

#### 2.12 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.

Stocks consumption is recorded as cost of sales, as well as personnel expenses incurred with the sales team who have the effort to identify and place the products on the customers.

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.

#### 2.13 Impairment excluding stock and deferred tax assets

##### Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment loss recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



## Notes to the Financial Statements *(continued)*

### 2 Accounting policies *(continued)*

#### 2.14 Employee benefits

##### 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 considered 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 considers 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.

##### 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.

##### 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.

#### 2.15 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 profit or loss 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, considering relevant risks and uncertainties.

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

## Notes to the Financial Statements *(continued)*

### 2 Accounting policies *(continued)*

#### 2.16 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 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.

##### Excise duty

Local tax authorities impose multiple taxes, duties, and fees. These include taxes on the sale or production of alcoholic beverages, environmental taxes on the use of certain raw materials or packaging materials, or the consumption of energy in the production process. Excise duties are common in the beverage industry but levied differently among the jurisdictions. Due to the complexity and variability of tax legislation across geographies, the Group considers that there is significant judgment in assessing the classification of excise duties paid that are borne by Liberty Wines or collected on behalf of third parties.

The Group assessed whether the excise duties are sales-related or whether they are effectively a production tax. According to the assessment made, Liberty Wines considers that excise duties are effectively taxes aimed at burdening the final consumer and depend on the characteristics of its operations and may, under certain conditions, be recovered if it is proven that the underlying goods were withdrawn from consumption.

Considering that (i) Liberty Wines does not, in most cases, sell to end customers or release to final consumption, (ii) whether or not it is subject to excise duty depends on the operating characteristics of the customer and the quantities actually released for consumption the Group considered that it is acting as a collection agent for these taxes, on behalf of the authorities of the countries where Liberty Wines operates.

#### 2.17 Finance Costs

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

#### 2.18 Interest income

Interest income is recognised in profit or loss using the effective interest method.

## Notes to the Financial Statements *(continued)*

### 2 Accounting policies *(continued)*

#### 2.19 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

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)

### 3 Judgements 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

Turnover may be disaggregated as follows:

	2023	2022
	£	£
Gross sales of Premium wine sourcing and distribution	124,180,466	119,801,001
Excise duty	(18,643,223)	(17,350,437)
<b>Net Sales</b>	<b>105,537,243</b>	<b>102,450,564</b>

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	100,949,189	95,322,300
Rest of the world	4,588,054	7,128,264
	<b>105,537,243</b>	<b>102,450,564</b>

## Notes to the Financial Statements (continued)

### 5 Other Operating Income

	2023	2022
	£	£
Other operating income	-	53,230
	<u>-</u>	<u>53,230</u>

During the year, the group received nil other operating income (2022: £53,230). The £53,230 received in 2022 was for government assistance relating to wages and salaries of employees furloughed. The grant was recognised under the accrual model in accordance with FRS 102 paragraph 24.5.

### 6 Operating Profit

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	355,709	395,053
Amortisation of intangible assets, including goodwill	100,605	61,607
Gain on recognition or disposal of assets	<u>(303)</u>	<u>(144,780)</u>

### 7 Auditor's Remuneration

	2023	2022
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>81,496</u>	<u>69,000</u>

#### Fees payable to the company's auditor and its associates for other services to the group:

The audit of the company's subsidiary pursuant to legislation	28,727	8,436
Other taxation and compliance services	<u>19,175</u>	<u>22,404</u>
	<u>47,902</u>	<u>30,840</u>

## Notes to the Financial Statements *(continued)*

### 8 Employees

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

	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>10,602,278</b>	10,582,800
Social security costs	<b>1,071,495</b>	1,033,516
Cost of defined contribution scheme	<b>319,713</b>	272,095
	<b><u>11,993,486</u></b>	<b><u>11,888,411</u></b>

The above-described costs are classified as follows:

	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cost of Sales	<b>4,389,641</b>	5,238,032
Selling and Distribution	<b>4,691,042</b>	2,438,119
Administrative Expenses	<b>2,912,803</b>	4,212,260
	<b><u>11,993,486</u></b>	<b><u>11,888,411</u></b>

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Cost of Sales	55	64
Selling and Distribution	81	56
Administrative Expenses	73	60
	<b><u>209</u></b>	<b><u>180</u></b>

## Notes to the Financial Statements *(continued)*

### 9 Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	823,860	815,805
Company contributions to defined contribution pension schemes	18,317	21,913
	<u>842,177</u>	<u>837,718</u>

During the year, retirement benefits were accruing to 2 directors (2022: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £225,715 (2022: £275,577).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,916 (2022: £7,688).

### 10 Interest Receivable

	2023	2022
	£	£
Other interest receivable	<u>64,931</u>	<u>58,730</u>

### 11 Interest payable and similar expenses

	2023	2022
	£	£
Bank and loan interest payable	<u>199,601</u>	<u>160,416</u>

## Notes to the Financial Statements (continued)

### 12 Taxation

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>6,776,161</u>	<u>8,531,683</u>
Profit on ordinary activities multiplied by standard rate of corporation tax the UK of 19% (2022: 19%)	1,287,471	1,621,020
<b>Effects of:</b>		
Fixed asset differences	(22,001)	4,451
Expenses not deductible for tax purposes	41,859	40,857
Income not taxable for tax purposes	(5,376)	(45,605)
Adjustments to tax charge in respect of prior periods	(80,851)	(996)
Adjustments to tax charge in respect of prior periods - deferred tax	105,936	2,069
Difference between current and deferred tax rates	148,520	-
Difference arising on consolidation	<u>27,562</u>	<u>15,207</u>
<b>Total tax charge for the year</b>	<u><u>1,503,120</u></u>	<u><u>1,637,003</u></u>

### 13 Intangible assets

#### Group

	Software £
<b>Cost</b>	
At 1 April 2022	1,049,536
Additions	<u>379,198</u>
At 31 March 2023	<u><b>1,428,734</b></u>
<b>Amortisation</b>	
At 1 April 2022	(725,755)
Charge for the year	<u>(100,605)</u>
At 31 March 2023	<u><b>(826,360)</b></u>
<b>Net book value</b>	
At 31 March 2023	<u><u><b>602,374</b></u></u>
At 31 March 2022	<u><u><b>323,781</b></u></u>



## Notes to the Financial Statements (continued)

### 14 Intangible assets (continued)

#### Company

	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2022	1,042,996
Additions	<u>380,292</u>
At 31 March 2023	<b><u>1,423,288</u></b>
<b>Amortisation</b>	
At 1 April 2022	(720,161)
Charge for the year	<u>(100,790)</u>
At 31 March 2023	<b><u>(820,951)</u></b>
<b>Net book value</b>	
At 31 March 2023	<b><u>602,337</u></b>
At 31 March 2022	<b><u>322,835</u></b>

### 15 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 Statement of comprehensive income in these financial statements.

The profit after tax of the parent Company for the year was £4,947,592 (2022: £6,268,815).

### 16 Tangible fixed assets

Freehold land and buildings were revalued every three years on an open market existing use basis. This was performed on 31 March 2022 by independent firm RES – Property Surveyors, Chartered Surveyors, in accordance with the Statement of Assets Valuation Practice No. 4. No depreciation is provided in respect of freehold land.

The main assumptions used are as follows:

<b>Equivalent Yield</b>	4.25%
<b>Annual market rent</b>	£523 000
<b>Methodology</b>	Income method rent Capitalisation Methodology using an equivalent yield (Hardcore Method)

The 2022 revaluation led to the identification of a market value of land and buildings of £11,200,000 which led to an increase on the revaluation reserve of £5,076,125. This effect was partially offset by the effect of the deferred tax liabilities over the revaluation step up and the impact of the change in enacted tax rate (from 19% to 25%) in these deferred taxes in the amount of £1,403,881. Management have assessed there is no reason to adjust the valuation at 31 March 2023.

## Notes to the Financial Statements (continued)

### 16 Tangible fixed assets (continued)

#### Group

	Freehold property £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>						
At 1 April 2022	11,309,859	-	1,130,743	84,828	987,394	13,512,824
Additions	2,695	3,167,789	68,248	-	1,534,524	4,773,256
Transfer	(47,609)	47,609	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2023	<u>11,264,945</u>	<u>3,215,398</u>	<u>1,198,991</u>	<u>84,828</u>	<u>2,521,918</u>	<u>18,286,080</u>
<b>Depreciation</b>						
At 1 April 2022	(191,595)	-	(980,581)	(48,481)	(745,040)	(1,965,697)
Charge for the year	(105,264)	-	(103,671)	(13,554)	(133,220)	(355,709)
Disposals	-	-	-	-	-	-
At 31 March 2023	<u>(296,859)</u>	<u>-</u>	<u>(1,084,252)</u>	<u>(62,035)</u>	<u>(878,260)</u>	<u>(2,321,406)</u>
<b>Net book value</b>						
At 31 March 2023	<u>10,968,086</u>	<u>3,215,398</u>	<u>114,739</u>	<u>22,793</u>	<u>1,643,658</u>	<u>15,964,674</u>
At 31 March 2022	<u>11,118,265</u>	<u>-</u>	<u>150,162</u>	<u>36,347</u>	<u>242,354</u>	<u>11,547,128</u>

#### Company

	Freehold property £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>						
At 1 April 2022	11,309,859	-	1,102,539	84,828	977,579	13,474,805
Additions	(44,914)	3,215,398	68,662	-	1,534,111	4,773,257
Disposals	-	-	-	-	-	-
At 31 March 2023	<u>11,264,945</u>	<u>3,215,398</u>	<u>1,171,201</u>	<u>84,828</u>	<u>2,511,690</u>	<u>18,248,062</u>
<b>Depreciation</b>						
At 1 April 2022	(191,595)	-	(957,007)	(48,479)	(741,016)	(1,938,097)
Charge for the year	(105,264)	-	(103,074)	(13,556)	(130,662)	(352,556)
At 31 March 2023	<u>(296,859)</u>	<u>-</u>	<u>(1,060,081)</u>	<u>(62,035)</u>	<u>(871,678)</u>	<u>(2,290,653)</u>
<b>Net book value</b>						
At 31 March 2023	<u>10,968,086</u>	<u>3,215,398</u>	<u>111,120</u>	<u>22,793</u>	<u>1,640,012</u>	<u>15,957,409</u>
At 31 March 2022	<u>11,118,262</u>	<u>-</u>	<u>145,532</u>	<u>36,349</u>	<u>236,563</u>	<u>11,536,707</u>

## Notes to the Financial Statements (continued)

### 17 Financial Investments and Loans Granted

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2022	244,180
Revaluation	639
At 31 March 2023	<u><u>244,819</u></u>

### 18 Subsidiary undertakings

The following were subsidiary undertakings of the Company included in the consolidation perimeter:

Name	Registered office	Principal activity	Class of shares	Holding
Liberty Wines Ireland Limited	Unit 507B Phase 2 Northwest Business Park Ballycoolin, Dublin 15 Republic of Ireland	Wine distribution	Ordinary	100%
Tinpot Hut Wines Limited	Level 2, Youell House 1 Hutcheson Street Blenheim New Zealand	Wine production	Ordinary	50%
Alpha Zeta SRL	Via Monte Baldo 10, Villafrance Di Verona VR, Italy, 37069	Wine production	Ordinary	100%

Considering the importance of Liberty Wines to Tinpot Hut Wines activity and main decisions, it was considered that Liberty Wines controls the entity. Consequently, Tinpot Hut Wines was included in Liberty Wines' consolidation perimeter.

On 1 April 2021 Terre Dei Templari SRL and Alpha Zeta SRL merged to become Alpha Zeta SRL. The Company continues to hold 100% of the shares of the merged entity.

The group holds a 25% equity investment in Terrapieno, a wine producer amounting to £25,424 (2022: £25,242) at the balance sheet date, this investment is not included in the consolidation perimeter.

## Notes to the Financial Statements (continued)

### 19 Stocks

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wine	<u>21,307,540</u>	<u>18,906,329</u>	<u>20,037,076</u>	<u>17,509,948</u>

The amount of stocks recognised as an expense during the year was £79,269,891 (2022: £78,924,935).

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

### 20 Debtors

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>18,505,901</b>	18,971,132	<b>16,743,384</b>	17,448,589
Amounts owed by group undertakings	-	-	<b>1,470,088</b>	1,193,064
Amounts owed by associate undertakings	<b>19,779</b>	18,982	-	-
Other debtors	<b>370,571</b>	495,640	<b>370,448</b>	743,648
Current Tax Assets	-	-	-	-
Fair value of forward contract receivables	-	72,960	-	72,960
Prepayments and accrued income	<b>1,287,612</b>	840,810	<b>1,260,427</b>	817,347
	<u><b>20,183,863</b></u>	<u>20,399,524</u>	<u><b>19,844,347</b></u>	<u>20,275,608</u>

### 21 Cash and cash equivalents

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>6,824,694</b>	14,057,606	<b>5,072,625</b>	12,629,062
Less: bank overdrafts	-	(8,180,936)	-	(8,180,936)
	<u><b>6,824,694</b></u>	<u>5,876,670</u>	<u><b>5,072,625</b></u>	<u>4,448,126</u>

The entity has several bank accounts with the same bank in different currencies. Considering the timing of payments and receipts some of these individual accounts may be in a temporarily negative position although the overall bank balance is positive. The company presents these bank accounts net as the company and the bank analyses the combined bank exposure together, the potential overdrafts are collateralized by the accounts that present positive balances, the net position is required to be within the agreed overdraft limit, and the company has the right and intention to treat and settle the balances on a net basis.

## Notes to the Financial Statements (continued)

### 22 Creditors: Amounts falling due within one year

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Bank overdrafts	-	-	-	-
Bank loans	693,222	147,158	693,222	147,158
Trade creditors	13,232,557	13,172,928	12,467,489	12,192,854
Stock in transit	3,033,639	2,293,355	2,938,716	2,293,355
Amounts owed to group undertakings	-	-	34,885	88,764
Corporation tax	71,669	1,052,821	50,831	1,014,660
Other taxation and social security	1,468,611	2,219,219	1,283,661	2,110,259
Fair value of forward contract payables	371,631	-	371,631	-
Other creditors	1,616,513	2,194,771	1,472,249	2,062,534
Accruals and deferred income	902,116	861,229	882,408	859,526
	<u>21,389,958</u>	<u>21,941,481</u>	<u>20,195,092</u>	<u>20,769,110</u>

### 23 Creditors: Amounts falling due after more than one year

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Other loans	-	-	-	-
Bank loans	2,561,654	341,402	2,561,654	341,402
	<u>2,561,654</u>	<u>341,402</u>	<u>2,561,654</u>	<u>341,402</u>

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Provisions for liabilities	<u>1,300,000</u>	<u>1,186,000</u>	<u>1,300,000</u>	<u>1,186,000</u>

These provisions consist of multi-annual employee benefits, attributed according to the company's performance and, consequently, may be subject to corrections, although not expected to be material.

## Notes to the Financial Statements (continued)

### 24 Loans

One bank loan of £488,560 is repayable by monthly instalments, commencing thirteen months after drawing 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.

The second bank loan of £3,000,000 is repayable by monthly instalments, commencing one month after drawing down and bears interest of 2.2% 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 5 January 2028.

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<b>Amounts falling due within one year</b>				
Bank loans	<u>693,222</u>	<u>147,158</u>	<u>693,222</u>	<u>147,158</u>
	<u>693,222</u>	<u>147,158</u>	<u>693,222</u>	<u>147,158</u>
<b>Amounts falling due after more than one year</b>				
Bank loans	<u>2,561,654</u>	<u>341,402</u>	<u>2,561,654</u>	<u>341,402</u>
Other loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,561,654</u>	<u>341,402</u>	<u>2,561,654</u>	<u>341,402</u>
	<u>3,254,876</u>	<u>488,560</u>	<u>3,254,876</u>	<u>488,560</u>

## Notes to the Financial Statements (continued)

### 25 Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<b>Financial assets</b>				
Financial assets that are debt instruments				
measured at amortised cost	27,008,553	34,384,170	24,916,972	32,831,710
Financial assets measured at fair value through profit or loss	-	72,960	-	72,960
	<u>27,008,553</u>	<u>34,457,130</u>	<u>24,916,972</u>	<u>32,904,670</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost				
cost	(21,358,822)	(27,705,110)	(18,111,907)	(27,352,529)
Financial liabilities measured at fair value through profit or loss	(371,631)	-	(371,631)	-
	<u>(21,730,453)</u>	<u>(27,705,110)</u>	<u>(18,483,538)</u>	<u>(27,352,529)</u>

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

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

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.

### 26 Deferred Tax Liabilities

	2023 £	2022 £
Fixed asset timing differences	(1,117,494)	(361,329)
Capital gains	(1,771,603)	(1,796,910)
Other timing differences	210,517	236,009
Losses and other deductions	575	575
	<u>(2,678,005)</u>	<u>(1,921,655)</u>

## Notes to the Financial Statements (continued)

### 27 Share Capital

	2023	2022
	£	£
<b>Allotted, called up and fully paid</b>		
218,616 (2021 - 218,616) Ordinary shares of £1.00 each	<u>218,616</u>	<u>218,616</u>

Sogrape increased their shareholding in Liberty Wines Limited during the financial year.

### 28 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 more than the depreciated cost. During 2022 a net increase of £3.7 million was identified (see note 16) because of the periodic revaluation performed by an external expert of the land and building of its headquarters.

#### 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.

### 29 Commitments under leases

	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Not later than one year	1,149,719	-	1,149,719	-
Later than one year and not later than five years	4,598,876	-	4,598,876	-
Later than five years	11,418,485	-	11,418,485	-
	<u>17,167,080</u>	<u>-</u>	<u>17,167,080</u>	<u>-</u>

Liberty Wines entered into a lease agreement for a new warehouse that commenced 6 March 2023. This lease contract has a lease term of 15 years, with an annual rent of £1,207,688 starting 15 February 2024, after a year long grace period following tenant occupation for fit-out. The rent is subject to a review at end of the year 5 and year 10 of the lease. Also included within the figures above are service charges that form part of the tenant's obligations.



## Notes to the Financial Statements (continued)

### 30 Related Party Transactions

Details of subsidiary undertakings are set out in note 18. 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 the year the company made purchases of £166,361 (2022: £187,000) from Willunga Hundred Pty Limited and made sales of £1,328 (2022: £6,006). The company had net trading balances of £141,647 (2022: £52,931) owed to Willunga Hundred Pty limited.

During the year the company made purchases of £315,965 (2022: £307,385) and sales of £19,067 (2022: £20,490) 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 a balance of £1,843 (2022: £16,789) owed from Shaw and Smith Pty Limited at the balance sheet date.

During the year the company made purchases of £78,424 (2022: £48,600) and sales of £6,815 (2022: £3,507) 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 £2,910 (2022: £3,068) with Tolpuddle Vineyard Pty Ltd at the balance sheet date.

During the year the company made purchases of £Nil (2022: £Nil) from Blindspot, a company registered in Australia in which David Gleave and John Ratcliffe have an interest. The balance owing at the year-end is £Nil (2020: £Nil).

During the year the company made purchases of £583,969 (2022: £538,879) from Tinpot Hut Wines Limited and sales of £47,844 (2022: £28,306). The company had trading balances of £6,337 (2022: owed to £12,079) owed from Tinpot Hut Wines Limited at the balance sheet date. The company also had a loan balance of £506,827 (2022: £485,124) owed by Tinpot Hut Wines Limited at the balance sheet date.

During the year, the related party Tinpot Hut Wines Limited, made purchases of £90,909 (2022: £76,552) with KO Wine Consultants. The Tinpot Hut director, Fiona Turner is a director of both companies. At the year-end there was £8,767 (2022: £7,666) balance outstanding.

During the year, the company's subsidiary Tinpot Hut Wines Limited, made purchases of £130,326 (2022: £120,519) from Turner Vineyards. At the year-end there was £Nil (2022: £Nil) balance outstanding.

During the year the company's subsidiary Tinpot Hut Wines Limited, leased a property at 2A Opawa Street, Blenheim, which is owned by Foxrock Holdings Limited. It is noted that Director Matthew John Tomson is a shareholder of FoxRock Holdings Limited, during the year transactions with FoxRock were £Nil (2022: £3,062). At the year-end a £Nil (2022: £434) balance was receivable.

During the year the company made purchases of £6,642,708 (2022: £6,979,260) and sales of £509,010 (2022: £349,110) from /to Sogrape Vinhos SA. The company had trading balances of £1,236,976 (2022: £1,128,003) owed to Sogrape Vinhos SA at the balance sheet date and amounts owed of £75,551 (2022: £50,581). 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
Bodegas LAN	(463,662)	1,159	(136,314)
Finca Flichman SA	(1,017,748)	-	(3,139)
Framingham Wines Ltd	(945,735)	42,073	(57,136)
Geo G	-	-	-
Viña Los Boldos Ltda.	(190,435)	-	(56,913)

## **Notes to the Financial Statements** *(continued)*

### **31 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 2023.

### **32 Capital Commitments**

Capital expenditure commitments for expenditure on tangible fixed assets not provided for in these consolidated financial statements are £Nil (2022: £Nil).

### **33 Ultimate Controlling Party**

At the date of these financial statements, the ultimate controlling party is Fernando Guedes - SGPS SA.

### **34 Subsequent events**

No relevant subsequent events are known to date.

Additionally, the Group also evaluated the impact that the current conflict between Russia and Ukraine may have on its operations. Considering that the Group has no direct exposure to these markets, the Board of Directors constantly monitors the evolution of the conflict and its indirect impacts on the Group operations (namely through the impact of the inflation in product and electricity prices), and does not anticipate, as of the date of this report, any relevant impact on the Group's activity related to the conflict.