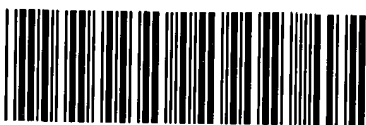


**LIBERTY WINES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

SATURDAY



\*AABUTSCQ\*

A14

28/08/2021

#194

COMPANIES HOUSE

---

**LIBERTY WINES LIMITED**

---

**COMPANY INFORMATION**

---

**Directors**

D Gleave  
NV Abraham  
MS Hill Smith  
RJ Ratcliffe  
VJ Nobles  
AJ Knott  
TMF Platt  
DBG Lafaurie  
RF Seabra  
BB Faro (appointed 29 June 2020)

**Company secretary**

N Gutman

**Registered number**

03293563

**Registered office**

6 Timbermill Way  
London  
SW4 6LY

**Independent auditor**

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

---

**LIBERTY WINES LIMITED**

---

**CONTENTS**

---

	Page
<b>Group strategic report</b>	<b>1 - 4</b>
<b>Directors' report</b>	<b>5 - 7</b>
<b>Independent auditor's report</b>	<b>8 - 12</b>
<b>Consolidated statement of comprehensive income</b>	<b>13</b>
<b>Consolidated statement of other comprehensive income</b>	<b>14</b>
<b>Consolidated statement of financial position</b>	<b>15 - 16</b>
<b>Company statement of financial position</b>	<b>17</b>
<b>Consolidated statement of changes in equity</b>	<b>18 - 19</b>
<b>Company statement of changes in equity</b>	<b>20 - 21</b>
<b>Consolidated statement of cash flows</b>	<b>22 - 23</b>
<b>Notes to the financial statements</b>	<b>24 - 52</b>

---

**LIBERTY WINES LIMITED**

---

---

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**Introduction**

Since its formation in 1997, Liberty Wines has sourced wines for its broad customer base and supplied them with outstanding service at the right place and time. The group's customers include some of the UK and Ireland's best restaurants, bars, hotels and independent retail outlets. While many awards were cancelled or postponed in 2020 Liberty Wines did win the prestigious 'IWSC Wine Distributor' award for 2021.

**Business review**

These results cover a reporting period that encompassed three national lockdowns. Despite this, the business returned a good set of financial numbers. Profit before tax on continuing operations was up £227k on FY21 at £2,340k, even though sales were down 7.8%. Prior to the events of the past 18 months the business was approximately 50/50 split between the on and off-trade, and this balance enabled the business to trade profitably during the closure of hospitality. The business did see a significant portion of sales migrate from restaurants to the off-trade as consumers shopped in retail and on line. Overall the off-trade channel experienced a 46% increase on FY20 with particularly strong results from on-line businesses. Despite the strength of the off-trade the business was still affected by the absence of a significant portion of on-trade margin. Management responded to this challenge with targeted use of the government furlough scheme and a limited restructuring of the business in the first lockdown. While the furlough scheme has provided important support, the Board has been committed to keeping staff engaged and those not on furlough in close communication with all customers. This approach has stood it in good stead, and Liberty has had the capability to respond quickly to customer needs as the hospitality sector returns.

Marketing activity was curtailed to a significant extent with the lack of large tasting events and the ability of producers to travel to the UK. The savings from a slowdown in marketing activity and a lack of overseas travel by our team resulted in significant savings. On-trade customer engagement was supported during the periods of closure by a programme of on-line events, attended by our internal teams and overseas winemakers/growers. The business saw some excellent trading from the on-trade when they were able to operate last year – "Eat out to help out" was a big footfall driver at the end of the summer. With the curtailment of foreign travel many UK holiday regions experienced an influx of domestic visitors which in turn led to sales growth in parts of the UK like Cornwall and East Anglia.

Turnover for the year fell by 7.8% to £75,110k, while EBITDA grew by 10.6%.

The results of the group are set out on pages 13-16. Financial headlines include:

Turnover	£75,110k (-7.8%)	2020: £81,502k
Gross Margin	£9,573k (-17.4%)	2020: £11,589k
EBITDA	£2,605k (+10.6%)	2020: £2,356k

## LIBERTY WINES LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**
**Streamlined Energy & Carbon Reporting (SECR)**

The GHG emissions have been assessed following the GHG Protocol standard and has used the 2020 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 the market- and location-based approach 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 2020 to 31st December 2020. 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. We are delighted to be able to show we have reduced our greenhouse gas emissions by 23.8% since last year. This has been achieved by implementing several energy and carbon savings measures, as well as reduced transportation. We have also switched to 100% renewable energy supply at our London site.

Scope	Activity	Tonnes CO <sub>2</sub> e	
		Market-based	Location-based
Scope 1	Van travel (owned)	48.57	48.57
Scope 2	Electricity generation	0.44	85.79
Scope 3	Indirect energy use	1,104.69	1,109.70
<b>Total tonnes of CO<sub>2</sub>e</b>		<b>1,153.70</b>	<b>1,244.06</b>
<b>Tonnes of CO<sub>2</sub>e per employee</b>		<b>8.61</b>	<b>9.28</b>
<b>Tonnes of CO<sub>2</sub>e per £M turnover</b>		<b>25.07</b>	<b>27.03</b>
<b>kg of CO<sub>2</sub>e per 9 litres cases</b>		<b>2.55</b>	<b>2.75</b>

Activity	Baseline Year	Previous Year	Current Year
	2017	2019	2020
Total energy consumed (kWh)	1,397,669	1,202,510	771,958
Total Gross Location Based Emissions (tCO <sub>2</sub> e)	375.89	296.45	178.01
<b>Total Gross Market Based Emissions (tCO<sub>2</sub>e)</b>	-	-	<b>129.44</b>
Carbon offsets (tCO <sub>2</sub> e)	376	297	307
<b>Total Net Market Based Emissions (tCO<sub>2</sub>e)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Intensity ratio tCO<sub>2</sub>e (gross Scope 1 &amp; 2) market based) per £M revenue</b>	<b>7.71</b>	<b>4.95</b>	<b>3.87</b>

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 its Irish operations in 2015. Its environmental programme includes tracking and reducing its carbon footprint as well as offsetting emissions, meaning every bottle is transported from winery to customer carbon neutral. The company remains committed to its environmental programme and each year implements new initiatives. The past year saw total carbon emissions fall by 29.3%, driven mainly by a reduction in shipments.

---

**LIBERTY WINES LIMITED**

---

---

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**Principal risks and uncertainties**

On going issues from the UK's exit from the EU continue to cause challenges, in particular with the physical transportation of stock, and increased bureaucracy of processing paperwork with national agencies. The business continues to work closely with our 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 and at no point in the last year did the business need to secure any extra lines of credit. We remain vigilant however, and pay close attention to the medium and long term financial forecasts which are regularly reviewed by the Board. Current forecasts have assumed modest growth on the financial year ended 31 March 2019 which management have assumed to be a 'normal' trading year.

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 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 2022, 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.

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.

---

**LIBERTY WINES LIMITED**

---

---

**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**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 our 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 our employees**

The company has made every effort to engage with staff who have had to work from home or have been put on furlough as a result of government restrictions. In normal times, working in a large open plan office for all staff irrespective of seniority ensures a connectedness of staff across the management levels. The business also engages more formal tools such as annual staff surveys, and twice-yearly 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 is subject to Bi-annual review.

**Engaging with our 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 24 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 Finance Director maintains regular meetings with its bankers to keep them up to date with trading performance. Strong relationships are also maintained with its insurance brokers to facilitate the periodic review of the insurance portfolio.

**Engaging with our shareholders**

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

This report was approved by the board on 24 August 2021

and signed on its behalf.

*Andrew Knott*

**AJ Knott**  
Director

---

**LIBERTY WINES LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

---

The directors present their report and the financial statements for the year ended 31 March 2021.

**Principal activity**

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

**Results and dividends**

The profit for the year, after taxation and minority interests, amounted to £1,566,944 (2020 - £1,386,720).

A dividend of £Nil (2020: £Nil) was paid during the year. The directors do not recommend the payment of a final dividend (2020: £Nil).

**Directors**

The directors who served during the year were:

D Gleave  
NV Abraham  
MS Hill Smith  
RJ Ratcliffe  
VJ Nobles  
AJ Knott  
TMF Platt  
DBG Lafaurie  
RF Seabra  
BB Faro (appointed 29 June 2020)



---

**LIBERTY WINES LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**Directors' responsibilities statement**

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

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

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

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

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.

**Charitable donations**

During the year the group made charitable contributions of £10,425 (2020: £39,610), principally to local charities serving the communities in which the group operates and The Drinks Trust drinks industry charity.

---

**LIBERTY WINES LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**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 fiscal 2022 the company will continue to explore and develop new channels of distribution for its premium wines in order to maintain the momentum of its impressive track record for growth.

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

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

As well as external professional and skills training, all members of staff are encouraged to achieve Wine and Spirit Education Trust qualifications. Training for these is performed in-house by our award winning education team.

**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 website, customer portal, and online ordering.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

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

This report was approved by the board on 24 August 2021

and signed on its behalf.

*Andrew Knott*

**AJ Knott**  
Director



---

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

---

### Opinion

We have audited the financial statements of Liberty Wines Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Consolidated statement of comprehensive income, the Consolidated statement of other comprehensive income, the Consolidated and Company statements of financial position, the Consolidated statement of cash flows, the Consolidated and Company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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



---

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

---

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.

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 Group's and of the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### Other information

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

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

We have nothing to report in this regard.



---

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

---

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

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

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

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

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

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

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

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

### Responsibilities of directors for the financial statements

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

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



---

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

---

### Auditor's responsibilities for the audit of the financial statements

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

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

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the parent company and group, and sector in which they operate that could reasonably be expected to have a material effect on the financial statements. We determined that the following laws and regulations that directly affect the financial statements are Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)', the Companies Act 2006 and tax legislation.

In addition, we have also considered laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or avoid a material penalty. These included licensing regulations, alcohol laws, and tax legislation as governed by HM Revenue and Customs.

- We understood how the parent company and the group is complying with those legal and regulatory frameworks by, making inquiries with those charged with governance, senior management, and those responsible for legal and compliance procedures within the entity. We corroborated our inquiries through our review of board minutes, discussions with management as well as other key personnel within the entity.
- Auditing standards limit the required audit procedures to identify non-compliance of these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence. These limited procedures did not identify any actual or suspected non-compliance.



---

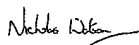
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY WINES LIMITED (CONTINUED)

---

- We assessed the susceptibility of the parent company's and group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - assessing whether assumptions and judgments in making its significant accounting estimates are indicative of a potential bias;
  - held discussions with and obtained corroborating evidence from those outside the finance team including human resources and key management; and
  - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- The engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

### Use of our report

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



Nicholas Watson BSc ACA  
Senior statutory auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
Date: 24 August 2021

## LIBERTY WINES LIMITED

CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Continuing operations 2021 £	Discontin'd operations 2021 £	Total 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £
Turnover	4	74,659,788	449,869	75,109,657	80,847,275	655,067	81,502,342
Cost of sales		(65,238,945)	(297,370)	(65,536,315)	(69,363,434)	(549,987)	(69,913,421)
<b>Gross profit</b>		<b>9,420,843</b>	<b>152,499</b>	<b>9,573,342</b>	<b>11,483,841</b>	<b>105,080</b>	<b>11,588,921</b>
Distribution costs		(4,264,499)	(25,140)	(4,289,639)	(5,386,720)	(27,252)	(5,413,972)
Administrative expenses		(2,998,141)	(252,436)	(3,250,577)	(4,255,766)	(261,114)	(4,516,880)
Other operating income	5	969,851	-	969,851	-	-	-
<b>Operating profit</b>	6	<b>3,128,054</b>	<b>(125,077)</b>	<b>3,002,977</b>	<b>1,841,355</b>	<b>(183,286)</b>	<b>1,658,069</b>
Loss on sale of subsidiary	30	-	(209,123)	(209,123)	-	-	-
Fair value adjustment for forward contracts		(768,278)	-	(768,278)	318,471	-	318,471
Interest receivable and similar income	10	30,847	15,225	46,072	22,429	-	22,429
Interest payable and similar expenses	11	(51,012)	-	(51,012)	(69,534)	(26,758)	(96,292)
<b>Profit before tax</b>		<b>2,339,611</b>	<b>(318,975)</b>	<b>2,020,636</b>	<b>2,112,721</b>	<b>(210,044)</b>	<b>1,902,677</b>
Tax on profit	12	(485,046)	-	(485,046)	(508,410)	-	(508,410)
<b>Profit for the financial year</b>		<b>1,854,565</b>	<b>(318,975)</b>	<b>1,535,590</b>	<b>1,604,311</b>	<b>(210,044)</b>	<b>1,394,267</b>

The notes on pages 24 to 52 form part of these financial statements.



## LIBERTY WINES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Profit for the financial year		1,535,590	1,394,267
<b>Other comprehensive income</b>			
Currency translation differences		14,344	(35,420)
<b>Other comprehensive income for the year</b>		14,344	(35,420)
<b>Total comprehensive income for the year</b>		1,549,934	1,358,847
<b>Profit for the year attributable to:</b>			
Non-controlling interest		(31,354)	7,547
Owners of the parent Company		1,566,944	1,386,720
		1,535,590	1,394,267

The notes on pages 24 to 52 form part of these financial statements.

**LIBERTY WINES LIMITED**  
**REGISTERED NUMBER:03293563**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	218,017	263,596
Tangible assets	15	6,665,550	6,763,509
Investments	16	19,887	19,887
		<u>6,903,454</u>	<u>7,046,992</u>
<b>Current assets</b>			
Stocks	17	13,046,924	11,758,440
Debtors: amounts falling due within one year	18	11,411,263	13,751,129
Cash at bank and in hand	19	4,695,572	4,625,209
		<u>29,153,759</u>	<u>30,134,778</u>
Creditors: amounts falling due within one year	20	(13,577,215)	(15,891,086)
<b>Net current assets</b>		<u>15,576,544</u>	<u>14,243,692</u>
<b>Total assets less current liabilities</b>		<u>22,479,998</u>	<u>21,290,684</u>
Creditors: amounts falling due after more than one year	21	(494,125)	(844,704)
<b>Provisions for liabilities</b>			
Deferred tax liability	24	(636,715)	(646,756)
<b>Net assets</b>		<u><u>21,349,158</u></u>	<u><u>19,799,224</u></u>

**LIBERTY WINES LIMITED**  
**REGISTERED NUMBER:03293563**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Capital and reserves</b>			
Share capital	25	218,616	218,616
Share premium	26	214,616	214,616
Revaluation reserve	26	1,909,869	1,909,869
Capital redemption reserve	26	21,000	21,000
Retained earnings	26	18,873,489	17,292,201
<b>Equity attributable to owners of the parent Company</b>		<b>21,237,590</b>	<b>19,656,302</b>
Non-controlling interests		111,568	142,922
<b>Shareholders' funds</b>		<b>21,349,158</b>	<b>19,799,224</b>

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

*Andrew Knott*  
**AJ Knott**  
 Director 24 August 2021

The notes on pages 24 to 52 form part of these financial statements.

**LIBERTY WINES LIMITED**  
**REGISTERED NUMBER:03293563**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	216,991	231,674
Tangible assets	15	6,654,075	6,742,206
Investments	16	75,734	75,734
		<u>6,946,800</u>	<u>7,049,614</u>
<b>Current assets</b>			
Stocks	17	11,822,742	10,574,431
Debtors: amounts falling due within one year	18	11,219,222	13,364,162
Cash at bank and in hand	19	3,733,277	3,338,378
		<u>26,775,241</u>	<u>27,276,971</u>
Creditors: amounts falling due within one year	20	(12,456,390)	(14,598,725)
<b>Net current assets</b>		<u>14,318,851</u>	<u>12,678,246</u>
<b>Total assets less current liabilities</b>		<u>21,265,651</u>	<u>19,727,860</u>
Creditors: amounts falling due after more than one year	21	(494,125)	(641,086)
<b>Provisions for liabilities</b>			
Deferred tax liability	24	(636,715)	(646,756)
<b>Net assets</b>		<u><u>20,134,811</u></u>	<u><u>18,440,018</u></u>
<b>Capital and reserves</b>			
Share capital	25	218,616	218,616
Share premium	26	214,616	214,616
Revaluation reserve	26	1,909,869	1,909,869
Capital redemption reserve	26	21,000	21,000
Retained earnings	26	17,770,710	16,075,917
<b>Shareholders' funds</b>		<u><u>20,134,811</u></u>	<u><u>18,440,018</u></u>

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

*Andrew Knott*  
**AJ Knott**  
 Director 24 August 2021

The notes on pages 24 to 52 form part of these financial statements.

## LIBERTY WINES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	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 2020	218,616	214,616	21,000	1,909,869	17,292,201	19,656,302	142,922	19,799,224
Profit for the year	-	-	-	-	1,566,944	1,566,944	(31,354)	1,535,590
Currency translation differences	-	-	-	-	14,344	14,344	-	14,344
<b>Total comprehensive income for the year</b>	-	-	-	-	1,581,288	1,581,288	(31,354)	1,549,934
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>1,909,869</b>	<b>18,873,489</b>	<b>21,237,590</b>	<b>111,568</b>	<b>21,349,158</b>

The notes on pages 24 to 52 form part of these financial statements.

## LIBERTY WINES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Restated Retained earnings £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2019	216,300	104,675	21,000	1,909,869	15,940,901	18,192,745	135,375	18,328,120
Profit for the year	-	-	-	-	1,386,720	1,386,720	7,547	1,394,267
Currency translation differences	-	-	-	-	(35,420)	(35,420)	-	(35,420)
<b>Total comprehensive income for the year</b>	-	-	-	-	1,351,300	1,351,300	7,547	1,358,847
Shares issued during the year	2,316	109,941	-	-	-	112,257	-	112,257
<b>Total transactions with owners</b>	2,316	109,941	-	-	-	112,257	-	112,257
<b>At 31 March 2020</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>1,909,869</b>	<b>17,292,201</b>	<b>19,656,302</b>	<b>142,922</b>	<b>19,799,224</b>

The notes on pages 24 to 52 form part of these financial statements.

## LIBERTY WINES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 April 2020	218,616	214,616	21,000	1,909,869	16,075,917	18,440,018
Profit for the year	-	-	-	-	1,694,793	1,694,793
<b>Total comprehensive income for the year</b>	-	-	-	-	1,694,793	1,694,793
<b>Total transactions with owners</b>	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>1,909,869</b>	<b>17,770,710</b>	<b>20,134,811</b>

The notes on pages 24 to 52 form part of these financial statements.

## LIBERTY WINES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 April 2019	216,300	104,675	21,000	1,909,869	14,312,732	16,564,576
Profit for the year	-	-	-	-	1,763,185	1,763,185
<b>Total comprehensive income for the year</b>	-	-	-	-	1,763,185	1,763,185
<b>Contributions by and distributions to owners</b>						
Shares issued during the year	2,316	109,941	-	-	-	112,257
<b>Total transactions with owners</b>	2,316	109,941	-	-	-	112,257
<b>At 31 March 2020</b>	<b>218,616</b>	<b>214,616</b>	<b>21,000</b>	<b>1,909,869</b>	<b>16,075,917</b>	<b>18,440,018</b>

The notes on pages 24 to 52 form part of these financial statements.



## LIBERTY WINES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,535,590	1,394,267
<b>Adjustments for:</b>		
Amortisation of intangible assets	73,213	235,234
Impairment of goodwill	27,538	-
Depreciation of tangible assets	268,935	261,153
Loss on disposal of tangible assets	-	(4,097)
Foreign exchange	768,278	(318,471)
Interest paid	51,012	96,292
Interest received	(46,072)	(22,429)
Taxation charge	485,046	508,410
(Increase)/decrease in stocks	(1,288,484)	38,077
Decrease in debtors	2,116,398	1,880,912
Decrease in creditors	(2,548,067)	(703,169)
Corporation tax (paid)	(579,548)	(577,441)
<b>Net cash generated from operating activities</b>	<b>863,839</b>	<b>2,788,738</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(55,172)	(112,305)
Purchase of tangible fixed assets	(180,903)	(267,991)
Disposal of subsidiary (net of cash disposed)	(90,150)	-
Interest received	46,072	22,429
<b>Net cash from investing activities</b>	<b>(280,153)</b>	<b>(357,867)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	112,257
Repayment of loans	(245,346)	(149,357)
Interest paid	(51,012)	(96,292)
<b>Net cash used in financing activities</b>	<b>(296,358)</b>	<b>(133,392)</b>
<b>Net increase in cash and cash equivalents</b>	<b>287,328</b>	<b>2,297,479</b>
Cash and cash equivalents at beginning of year	3,972,272	1,714,111
Foreign exchange gains and losses	(50,561)	(39,318)
<b>Cash and cash equivalents at the end of year</b>	<b>4,209,039</b>	<b>3,972,272</b>

## LIBERTY WINES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,695,572	4,625,209
Bank overdrafts	(486,533)	(652,937)
	<u>4,209,039</u>	<u>3,972,272</u>

The notes on pages 24 to 52 form part of these financial statements.

---

**LIBERTY WINES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**1. General information**

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

The financial statements are presented in Sterling (£).

The group financial statements consolidate the financial statements of 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.

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.2 Basis of consolidation**

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

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

**Investment in subsidiaries**

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

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

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

**Investments in associates**

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

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

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.3 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 2022, 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.

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.

**2.4 Revenue**

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

**Sale of goods**

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

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

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.5 Intangible assets**

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

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

The estimated useful lives range as follows:

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

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

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

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

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

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.6 Tangible fixed assets**

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

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

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

Depreciation is provided on the following basis:

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

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

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

**2.7 Revaluation of tangible fixed assets**

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

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

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

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.9 Stocks**

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

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

**2.10 Debtors**

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

**2.11 Cash and cash equivalents**

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

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

**2.12 Financial instruments**

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

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

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



---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.12 Financial instruments (continued)**

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 is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.13 Creditors**

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

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.14 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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

**2.15 Finance costs**

Finance costs are charged to 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.

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.16 Share based payments**

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

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

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

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

**2.17 Pensions****Defined contribution pension plan**

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

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

**2.18 Holiday pay accrual**

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

**2.19 Interest income**

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

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.20 Provisions for liabilities**

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

Provisions are charged as an expense to 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, taking into account relevant risks and uncertainties.

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

**2.21 Current and deferred taxation**

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

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

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

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

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

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)****2.22 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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

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

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

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

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

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

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

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**4. Turnover**

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

	2021 £	2020 £
Premium wine sourcing and distribution	<b>75,109,657</b>	<b>81,502,342</b>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	<b>68,430,648</b>	<b>74,476,813</b>
Rest of the world	<b>6,679,009</b>	<b>7,025,529</b>
	<b>75,109,657</b>	<b>81,502,342</b>

**5. Other operating income**

	2021 £	2020 £
Other operating income	<b>969,851</b>	-
	<b>969,851</b>	-

During the year, the group received government assistance relating to wages and salaries costs of employees furloughed. Government grants received have been recognised under the accrual model in accordance with FRS 102 paragraph 24.5 and amounted to £969,851 (2020: £nil).

**6. Operating profit**

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	<b>268,935</b>	<b>261,153</b>
Amortisation of intangible assets, including goodwill	<b>73,213</b>	<b>124,845</b>
Impairment of goodwill	<b>27,538</b>	-
Fair value adjustment for forward contracts	<b>768,278</b>	<b>(318,471)</b>

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>81,200</u>	<u>67,000</u>
<b>Fees payable to the company's auditor and its associates for other services to the group:</b>		
The audit of the company's subsidiary pursuant to legislation	10,666	8,732
Taxation compliance services	8,175	11,650
Accounts preparation	3,800	3,500
Tax advisory	2,000	-
	<u>24,641</u>	<u>23,882</u>

## 8. Employees

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

	Group 2021 £	Group 2020 £
Wages and salaries	7,542,094	7,960,762
Social security costs	750,521	777,988
Cost of defined contribution scheme	252,150	270,172
	<u>8,544,765</u>	<u>9,008,922</u>

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

	2021 No.	2020 No.
Administration	55	59
Selling and Distribution	113	125
	<u>168</u>	<u>184</u>

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	669,778	755,582
Company contributions to defined contribution pension schemes	22,225	23,023
	<u>692,003</u>	<u>778,605</u>

During the year retirement benefits were accruing to 3 directors (2020 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £233,742 (2020 - £210,753).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,750 (2020 - £8,911).

## 10. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>46,072</u>	<u>22,429</u>

## 11. Interest payable and similar expenses

	2021 £	2020 £
Bank and loan interest payable	<u>51,012</u>	<u>96,292</u>



## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 12. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	427,983	442,950
Adjustments in respect of prior periods	4,429	-
	<u>432,412</u>	<u>442,950</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	62,675	40,918
<b>Total current tax</b>	<u>495,087</u>	<u>483,868</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10,041)	24,542
<b>Total deferred tax</b>	<u>(10,041)</u>	<u>24,542</u>
<b>Taxation on profit on ordinary activities</b>	<u>485,046</u>	<u>508,410</u>

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 12. Taxation (continued)

## Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<b>2,020,636</b>	<b>1,902,677</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<b>383,921</b>	<b>361,509</b>
<b>Effects of:</b>		
Fixed asset differences	<b>462</b>	-
Expenses not deductible for tax purposes	<b>28,667</b>	<b>61,418</b>
Income not taxable for tax purposes	<b>(7,690)</b>	-
Adjustments to tax charge in respect of prior periods	<b>4,429</b>	-
Other timing differences leading to an increase in taxation	<b>2,117</b>	<b>103,309</b>
Difference arising on consolidation	<b>(41,364)</b>	<b>(17,826)</b>
Deferred tax not recognised	<b>114,504</b>	-
<b>Total tax charge for the year</b>	<b>485,046</b>	<b>508,410</b>

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 13. Intangible assets

## Group

	Software £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2020	874,219	65,819	940,038
Additions	55,172	-	55,172
At 31 March 2021	929,391	65,819	995,210
<b>Amortisation</b>			
At 1 April 2020	641,352	35,090	676,442
Charge for the year on owned assets	70,022	3,191	73,213
Impairment charge	-	27,538	27,538
At 31 March 2021	711,374	65,819	777,193
<b>Net book value</b>			
At 31 March 2021	218,017	-	218,017
At 31 March 2020	232,867	30,729	263,596

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 13. Intangible assets (continued)

## Company

	Software £
<b>Cost</b>	
At 1 April 2020	862,054
Additions	55,339
At 31 March 2021	<u>917,393</u>
<b>Amortisation</b>	
At 1 April 2020	630,380
Charge for the year	70,022
At 31 March 2021	<u>700,402</u>
<b>Net book value</b>	
At 31 March 2021	<u>216,991</u>
At 31 March 2020	<u>231,674</u>

## 14. 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 £1,694,793 (2020 - £1,763,185).

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**15. Tangible fixed assets**

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

The carrying amount of the freehold property that would be recognised were the asset carried under the cost model would be £3,698,834 (2020: £3,982,580).

**Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2020	6,192,739	1,144,397	80,030	716,167	8,133,333
Additions	-	13,288	-	167,615	180,903
Disposals	-	(43,293)	-	(2,320)	(45,613)
At 31 March 2021	6,192,739	1,114,392	80,030	881,462	8,268,623
<b>Depreciation</b>					
At 1 April 2020	50,922	774,626	55,007	489,269	1,369,824
Charge for the year on owned assets	2,430	121,941	11,564	133,000	268,935
Disposals	-	(33,674)	-	(2,012)	(35,686)
At 31 March 2021	53,352	862,893	66,571	620,257	1,603,073
<b>Net book value</b>					
At 31 March 2021	6,139,387	251,499	13,459	261,205	6,665,550
At 31 March 2020	6,141,817	369,771	25,023	226,898	6,763,509

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 15. Tangible fixed assets (continued)

## Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2020	6,192,738	1,073,140	80,030	716,167	8,062,075
Additions	-	12,865	-	159,680	172,545
At 31 March 2021	<u>6,192,738</u>	<u>1,086,005</u>	<u>80,030</u>	<u>875,847</u>	<u>8,234,620</u>
<b>Depreciation</b>					
At 1 April 2020	50,922	724,671	55,007	489,269	1,319,869
Charge for the year on owned assets	2,430	114,223	11,564	132,459	260,676
At 31 March 2021	<u>53,352</u>	<u>838,894</u>	<u>66,571</u>	<u>621,728</u>	<u>1,580,545</u>
<b>Net book value</b>					
At 31 March 2021	<u>6,139,386</u>	<u>247,111</u>	<u>13,459</u>	<u>254,119</u>	<u>6,654,075</u>
At 31 March 2020	<u>6,141,816</u>	<u>348,469</u>	<u>25,023</u>	<u>226,898</u>	<u>6,742,206</u>

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 16. Fixed asset investments

## Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2020	75,734
At 31 March 2021	<u>75,734</u>

## Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Willunga Hundred Pty Limited	C/-Perks and Associates Pty Ltd, 180 Greenhill Road, Parkside SA 5063 Australia	Wine production	Ordinary	75%
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%
Terre Dei Templari SRL	Via Monte Baldo 10, Villafrance Di Verona VR, Italy, 37069	Wine production	Ordinary	100%
Alpha Zeta SRL	Via Monte Baldo 10, Villafrance Di Verona VR, Italy, 37069	Wine production	Ordinary	100%

The aggregate of the share capital and reserves for the subsidiary undertakings as at 31 March 2021 was £1,214,348 (2020: £1,315,069) and the aggregate of the profit or loss for the year ended on that date was £81,274 (2020: £(395,571)).

The group holds a 25% equity investment in Terrapieno, a wine producer amounting to £19,887 (2020: £19,887) at the balance sheet date.

The group disposed of its 75% share in Willunga Hundred Pty Limited on 31 March 2021 (see Note 30).

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 17. Stocks

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Wine	<b>13,046,924</b>	<b>11,758,440</b>	<b>11,822,742</b>	<b>10,574,431</b>

The amount of stocks recognised as an expense during the year was £65,536,315 (2020: £69,913,421).

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

## 18. Debtors

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Trade debtors	<b>10,888,727</b>	<b>13,005,552</b>	<b>9,868,658</b>	<b>11,680,627</b>
Amounts owed by group undertakings	-	-	<b>866,812</b>	<b>990,966</b>
Amounts owed by associate undertakings	<b>19,150</b>	<b>19,914</b>	-	-
Other debtors	<b>81,355</b>	<b>63,405</b>	<b>81,355</b>	<b>63,462</b>
Fair value of forward contract receivables	-	<b>223,467</b>	-	<b>223,467</b>
Prepayments and accrued income	<b>422,031</b>	<b>438,791</b>	<b>402,397</b>	<b>405,640</b>
	<b>11,411,263</b>	<b>13,751,129</b>	<b>11,219,222</b>	<b>13,364,162</b>

## 19. Cash and cash equivalents

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Cash at bank and in hand	<b>4,695,572</b>	<b>4,625,209</b>	<b>3,733,277</b>	<b>3,338,378</b>
Less: bank overdrafts	<b>(486,533)</b>	<b>(652,937)</b>	<b>(208,000)</b>	<b>(389,797)</b>
	<b>4,209,039</b>	<b>3,972,272</b>	<b>3,525,277</b>	<b>2,948,581</b>



## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**20. Creditors: Amounts falling due within one year**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Bank overdrafts	486,533	652,937	208,000	389,797
Bank loans	147,158	149,397	147,158	149,397
Trade creditors	8,287,902	10,692,351	7,785,856	9,938,031
Amounts owed to group undertakings	-	-	5,551	218,109
Corporation tax	103,809	198,311	138,475	241,108
Other taxation and social security	2,172,966	2,446,504	2,088,024	2,322,419
Fair value of forward contract payables	544,810	-	544,810	-
Other creditors	1,224,773	1,155,750	929,468	744,029
Accruals and deferred income	609,264	595,836	609,048	595,835
	<b>13,577,215</b>	<b>15,891,086</b>	<b>12,456,390</b>	<b>14,598,725</b>

**21. Creditors: Amounts falling due after more than one year**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Other loans	-	203,618	-	-
Bank loans	494,125	641,086	494,125	641,086
	<b>494,125</b>	<b>844,704</b>	<b>494,125</b>	<b>641,086</b>

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**22. Loans**

The bank loan of £641,283 is repayable by monthly installments, commencing thirteen months after draw down and bears interest of 2.5% above HSBC bank's sterling base rate. The loan is secured by a fixed and floating charge over the assets of the company, an unlimited composite guarantee provided by Liberty Wines Ireland Limited and a first legal charge over freehold land and buildings. The loan is repayable by 24 September 2032.

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	<b>147,158</b>	149,397	<b>147,158</b>	149,397
	<b>147,158</b>	149,397	<b>147,158</b>	149,397
<b>Amounts falling due after more than one year</b>				
Bank loans	<b>494,125</b>	641,086	<b>494,125</b>	641,086
Other loans	-	203,618	-	-
	<b>494,125</b>	844,704	<b>494,125</b>	641,086
	<b>641,283</b>	994,101	<b>641,283</b>	790,483

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 23. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	15,684,804	17,714,080	14,550,102	16,073,433
Financial assets measured at fair value through profit or loss	-	223,467	-	223,467
	<u>15,684,804</u>	<u>17,937,547</u>	<u>14,550,102</u>	<u>16,296,900</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(11,249,755)	(16,537,479)	(10,179,206)	(14,988,703)
Financial liabilities measured at fair value through profit or loss	(544,810)	-	(544,810)	-
	<u>(11,794,565)</u>	<u>(16,537,479)</u>	<u>(10,724,016)</u>	<u>(14,988,703)</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.

## LIBERTY WINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**24. Provisions**

	2021 £	2020 £
Accelerated capital allowances	(274,462)	(289,076)
On property revaluation	(393,031)	(393,031)
Other timing differences	30,341	34,914
Tax losses carried forward	437	437
	<u>(636,715)</u>	<u>(646,756)</u>

**25. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
218,616 (2020 - 218,616) Ordinary shares of £1.00 each	<u>218,616</u>	<u>218,616</u>

**26. Reserves****Share premium account**

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

**Revaluation reserve**

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

**Capital redemption reserve**

The nominal value of shares redeemed following a share buyback.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

---

**LIBERTY WINES LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**27. Related party transactions**

Details of subsidiary undertakings are set out in note 16. 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.

Willunga Hundred Pty Limited was sold for A\$1 on 31 March 2021. David Gleave and John Ratcliffe retain an interest. By virtue of having common key management personnel, Willunga Hundred Pty Limited remains a related party.

During 2014, Willunga Hundred Pty Limited, received a loan of A\$413,000 from WineConsult Limited, owned by John Ratcliffe. The loan was extended by 1 year to 31 March 2022 and interest is charged at 5%. Interest of £2,491 was written off during the year (2020: *charged £8,802*) with £18,897 accrued at the balance sheet date (2020: *£3,193*). The balance of the loan was £18,897 (2020: *£203,618*) at the balance sheet date. The A\$383,750 loan outstanding (2020: *A\$2,263,935*) at the balance sheet date from Liberty Wines Limited to Willunga Hundred Pty remains legally payable, however it is fully provided within these accounts as it is not virtually certain to be recovered.

During the year the company made purchases of £149,318 (2020: *£170,511*) from Willunga Hundred Pty Limited and made sales of £18,101 (2020: *£23,963*). The company had net trading balances of £38,634 (2020: *£3,470*) owed to Willunga Hundred Pty limited.

During the year the company made purchases of £202,138 (2020: *£229,223*) and sales of £7,425 (2020: *£12,006*) 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 £36,845 (2020: *£113,751*) with Shaw and Smith Pty Limited at the balance sheet date.

During the year the company made purchases of £34,051 (2020: *£29,278*) and sales of £Nil (2020: *£Nil*) from /to Tolpuddle Vineyard Pty Limited, a company registered in Australia in which the director MS Hill Smith has an interest. The company had balance of £5,333 (2020: *£7,799*) with Tolpuddle Vineyard Pty Ltd at the balance sheet date.

During the year the company made purchases of £44,081 (2020: *£25,048*) 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 £13,662 (2020: *£7,775*).

---

**LIBERTY WINES LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


---

**27. Related party transactions (continued)**

During the year the company made purchases of £298,943 (2020: £442,507) from Tinpot Hut Wines Limited and sales of £33,272 (2020: £Nil). The company had trading balances of £3,882 (2020: owed to £5,180) owed from Tinpot Hut Wines Limited at the balance sheet date. The company also had a loan balances of £303,855 (2020: £287,062) owed by Tinpot Hut Wines Limited at the balance sheet date.

During the year, the company's subsidiary Tinpot Hut Wines Limited, made purchases of £82,165 (2020: £78,267) with KO Wine Consultants. The Tinpot Hut director, Fiona Turner is a director of both companies. At the year end there was a £7,439 (2020: £7,107) balance outstanding.

During the year, the company's subsidiary Tinpot Hut Wines Limited, made purchases of £120,971 (2020: £152,710) from Turner Vineyards. At the year end there was £Nil (2020: £Nil) balance outstanding.

During the year the company made purchases of £5,592,659 (2020: £4,798,110) and sales of £331,166 (2020: £242,909) from /to Sogrape Vinhos SA. The company had trading balances of £1,003,398 (2020: £875,231) owed to Sogrape Vinhos SA at the balance sheet date and amounts owed of £148,210 (2020: £58,107). There were also several other companies that Sogrape Vinhos SA has equity share capital in that the company also traded within the year:

	<b>Purchases</b>	<b>Sales</b>	<b>Balance</b>
Finca Flichman SA	(636,674)	20,358	(11,336)
Sandeman Jerez SL	(10,275)	-	-
Framingham Wines Ltd	(474,276)	15,956	(5,563)
Bodegas LAN SA	(140,498)	275	(7,466)
Vina LOS Boldos Ltda	(51,104)	1,012	(8,177)

The cost of remunerating key management for the year was £692,003 (2020: £778,605).

**28. 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 2021. Liberty Wines Ireland Limited is availing of the exemption under that Act to not file company financial statements.

**29. Capital commitments**

Capital expenditure commitments for expenditure on tangible fixed assets not provided for in these consolidated financial statements are £Nil (2020: £Nil).

**30. Discontinued operations**

The group disposed of its 75% shareholding in Willunga Hundred Pty Limited on 31 March 2021, a wine production company based in Australia. During the year, Willunga Hundred Pty Limited contributed post-tax losses of £109,852 to the group (2020: £210,044). The group received consideration of A\$1. The net assets at the date of disposal were £209,123 and a loss on disposal of £209,123 was recognised in the Statement of comprehensive income.

---

**LIBERTY WINES LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**31. Ultimate controlling party**

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

**32. Post balance sheet events**

There have been no post balance sheet events.