

Registration number: 03705002

Amber Beverage UK Limited

(formerly Cellar Trends Limited)

Annual Report and Financial Statements

for the Year Ended 31 December 2021



Morris & Young, Statutory Auditor
Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

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**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Company Information

Directors	J Stuge
	D B Cunningham
Registered office	B100 Beverley Road East Midlands Airport Castle Donington DE74 2SA
Auditors	Morris & Young, Statutory Auditor Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is "bringing drinks brands to life" in the UK market.

Fair review of the business

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2021	2020
Turnover	£	55,191,459	39,699,661
Profit/(Loss) before Tax	£	413,018	(17,324,756)

Future developments

ABUK will continue to grow distribution and develop sales of its brand portfolio over the coming year. The company will aim to further enhance profitability by the ongoing acquisition of new brand distribution agreements. Growing distribution and sales of Amber Beverage Group's spirit portfolio will be a key priority for 2023.

Principal risks and uncertainties

The company has established objectives and policies for managing financial risks, to enable them to achieve growth into new brands and market sectors whilst still operating within a prudent risk management framework. These objectives and policies are regularly reviewed by the management team. Currency, price, interest rate and liquidity risks are managed centrally within parameters set by the company Directors. Where appropriate, financial instruments are used to manage the financial risks faced by the company.

Currency risk

Through its trading with international entities, the company has operational exposure in both euros and US dollars. Euro balance sheet translation exposure is hedged by maintaining foreign currency bank accounts.

Price risk

The company operates in a competitive market. Price risk, particularly in the wine, beer and pouring vodka sectors, is offset in part by regularly sourcing new brands to add to the portfolio and concentrating on existing brand equity development. The company acts as a sole UK distributor for several products, and this combined with the in-house promotional campaigns ensures that margin erosion is minimised.

Interest rate risk

The company finances its operations through a mixture of retained profits, and Shareholder financing, thus minimising the interest rate risk.

Liquidity risk

Budgets and forecasts identifying the liquidity requirements of the company have been produced. The directors are fully aware of the economic environment in which the company operates and are taking measures to ensure that liquidity risks are minimised. Sales ledger debtors are insured and these are regularly reviewed by the directors.

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Strategic Report for the Year Ended 31 December 2021

Greenhouse gas emissions and energy consumption

During the accounting period, the company terminated its lease of the business premises at Stonehouse Farm, and replacement Midlands premises were leased with effect from June 2020, at East Midlands Airport. The terms of both of these leases and the lease of its London office were inclusive of service charges including electricity etc. As a result of this, the substantial restructuring of the company car fleet, and the effects of staff working remotely for a significant portion of the year due to COVID restrictions, the company considers that it is not practical for the company to obtain accurate Streamlined Energy and Carbon Reporting information for this period.

Section 172(1) statement

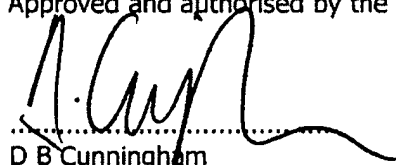
The revised UK Corporate Governance Code applies to accounting periods commencing on or after 1 January 2019. The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain how they considered the interests of key stakeholders and the broader matters set out in Section 172(1) a) to f) of the Companies Act 2006, when performing their duty to promote the success of the company. This statement focuses on matters of strategic importance to the company and the level of information disclosed is consistent with the size and complexity of its business.

The directors understand the business and the environment in which it operates, and the decisions taken, as summarised above, are designed to ensure the company's profitability in the long term.

the directors recognise the contribution made by the company's employees, which is fundamental to the company's success. This success is dependent on attracting, retaining and motivating employees, and ensuring that we remain a responsible employer.

A strong, mutually beneficial relationship with suppliers, customers, etc. is also fundamental to the directors' strategy. It is also recognised that the company is mindful to continue to minimise the impact of the business on the community and environment, whilst, at all times, acting fairly and maintaining high standards of business conduct.

Approved and authorised by the Board on 14 December 2022 and signed on its behalf by:


D B Cunningham
Director

**Amber Beverage UK Limited
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Directors' Report for the Year Ended 31 December 2021

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

Change of company name

The company changed its name from Cellar Trends Limited to Amber Beverage UK Limited effective from 26 April 2021.

Directors of the company

The directors who held office during the year were as follows:

J Stuge

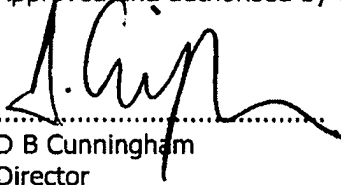
D B Cunningham (appointed 1 April 2021)

S E I Thomas (ceased 1 April 2021)

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 14 December 2022 and signed on its behalf by:


D B Cunningham
Director

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Independent Auditor's Report to the Members of Amber Beverage UK Limited

Qualified opinion

We have audited the financial statements of Amber Beverage UK Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

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

Basis for qualified opinion on financial statements

We have been unable to satisfy ourselves regarding the accuracy of certain accrual balances within the financial statements as at 31 December 2021 which are included in the Balance Sheet at £2,502,912, due to a lack of supporting evidence.

Since the year end, management have been focussing on reconciling and rectifying these balances which they expect to complete by 31 December 2022. We believe the accrual is not understated.

Consequently we were unable to determine whether any adjustment to the accrued amounts was necessary.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Except for the matter described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our report.

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Independent Auditor's Report to the Members of Amber Beverage UK Limited

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information 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.

Opinion on other matter prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

Arising solely from the limitation on the scope of work relating to accruals, referred to above:

- we have not obtained all the audit evidence that we considered necessary for the purposes of our audit;
- we were unable to determine whether accounting records have been kept.

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Independent Auditor's Report to the Members of Amber Beverage UK Limited

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

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

- the nature of the industry, control environment and understanding of the entity including, but not restricted to, the prevalence of fraud in the sector especially in the current uncertain economic environment;
- results of our enquiries of directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Independent Auditor's Report to the Members of Amber Beverage UK Limited

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition and overstatement of expenditure. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and UK tax legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- tested a sample of other income for understatement and other relevant audit procedures while consideration was given to revenue recognition;
- tested a sample of expenditure for overstatement and other relevant audit procedures;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

**Amber Beverage UK Limited
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Independent Auditor's Report to the Members of Amber Beverage UK Limited

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



.....
Alexander J Fyfe, M.A.A.T., DChA, C.A. (Senior Statutory Auditor)
For and on behalf of Morris & Young, Statutory Auditor

Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

22 December 2022

Amber Beverage UK Limited
(formerly Cellar Trends Limited)

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	55,191,459	39,699,661
Cost of sales		<u>(46,816,727)</u>	<u>(33,913,891)</u>
Gross profit		8,374,732	5,785,770
Administrative expenses		(8,305,786)	(8,355,116)
Other operating income	4	<u>79,653</u>	<u>412,254</u>
Operating profit/(loss)	5	<u>148,599</u>	<u>(2,157,092)</u>
Exceptional item - re intra group loan	6	-	(14,481,351)
Interest payable and similar expenses	7	<u>264,419</u>	<u>(686,313)</u>
		<u>264,419</u>	<u>(15,167,664)</u>
Profit/(loss) before tax		<u>413,018</u>	<u>(17,324,756)</u>
Profit/(loss) for the financial year		<u><u>413,018</u></u>	<u><u>(17,324,756)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 16 to 29 form an integral part of these financial statements.

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

**Statement of Comprehensive Income for the Year Ended 31 December
2021**

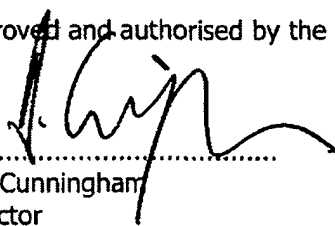
	2021 £	2020 £
Profit/(loss) for the year	<u>413,018</u>	<u>(17,324,756)</u>
Total comprehensive income for the year	<u><u>413,018</u></u>	<u><u>(17,324,756)</u></u>

Amber Beverage UK Limited
(formerly Cellar Trends Limited)

(Registration number: 03705002)
Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	68,861	90,765
Tangible assets	12	<u>12,766</u>	<u>39,748</u>
		<u>81,627</u>	<u>130,513</u>
Current assets			
Stocks	13	6,054,299	4,836,152
Debtors	14	15,133,907	11,261,956
Cash at bank and in hand	15	<u>697,264</u>	<u>2,145,288</u>
		21,885,470	18,243,396
Creditors: Amounts falling due within one year	16	<u>(17,172,349)</u>	<u>(13,908,566)</u>
Net current assets		<u>4,713,121</u>	<u>4,334,830</u>
Total assets less current liabilities		4,794,748	4,465,343
Creditors: Amounts falling due after more than one year	16	<u>(3,571,967)</u>	<u>(3,655,580)</u>
Net assets		<u>1,222,781</u>	<u>809,763</u>
Capital and reserves			
Called up share capital	18	5,101	5,101
Share premium reserve	19	14,481,350	14,481,350
Retained earnings	19	<u>(13,263,670)</u>	<u>(13,676,688)</u>
Shareholders' funds		<u>1,222,781</u>	<u>809,763</u>

Approved and authorised by the Board on 14 December 2022 and signed on its behalf by:


.....
D B Cunningham
Director

Amber Beverage UK Limited
(formerly Cellar Trends Limited)

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2021	5,101	14,481,350	(13,676,688)	809,763
Profit for the year	-	-	413,018	413,018
At 31 December 2021	5,101	14,481,350	(13,263,670)	1,222,781

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2020	5,100	14,481,350	5,148,068	19,634,518
Loss for the year	-	-	(17,324,756)	(17,324,756)
Dividends	-	-	(1,500,000)	(1,500,000)
New share capital subscribed	1	-	-	1
At 31 December 2020	5,101	14,481,350	(13,676,688)	809,763

The notes on pages 16 to 29 form an integral part of these financial statements.

Amber Beverage UK Limited
(formerly Cellar Trends Limited)

Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit/(loss) for the year		413,018	(17,324,756)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	43,053	84,095
Profit on disposal of tangible assets		(58,139)	(30,787)
Finance costs	7	147,545	143,799
Exceptional item - re intra group loan		<u>-</u>	<u>14,481,351</u>
		545,477	(2,646,298)
Working capital adjustments			
(Increase)/decrease in stocks	13	(1,218,147)	583,638
(Increase)/decrease in trade debtors	14	(3,871,951)	3,057,934
Increase in trade creditors	16	<u>3,263,782</u>	<u>628,999</u>
Net cash flow from operating activities		<u>(1,280,839)</u>	<u>1,624,273</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(5,936)	(3,102)
Proceeds from sale of tangible assets		71,404	41,600
Acquisition of intangible assets	11	<u>(1,495)</u>	<u>(13,365)</u>
Net cash flows from investing activities		<u>63,973</u>	<u>25,133</u>
Cash flows from financing activities			
Interest paid	7	(147,545)	(143,799)
Repayment of group borrowing		<u>(83,613)</u>	<u>(818,966)</u>
Net cash flows from financing activities		<u>(231,158)</u>	<u>(962,765)</u>
Net (decrease)/increase in cash and cash equivalents		(1,448,024)	686,641
Cash and cash equivalents at 1 January 2021		<u>2,145,288</u>	<u>1,458,647</u>
Cash and cash equivalents at 31 December 2021		<u><u>697,264</u></u>	<u><u>2,145,288</u></u>

The notes on pages 16 to 29 form an integral part of these financial statements.

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The company was formerly known as Cellar Trends Limited.

The address of its registered office is:

B100

Beverley Road

East Midlands Airport

Castle Donington

DE74 2SA

These financial statements were authorised for issue by the Board on 14 December 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £1.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Notes to the Financial Statements for the Year Ended 31 December 2021

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Office equipment

Motor vehicles

Computer equipment

Depreciation method and rate

3 year straight line from month of purchase

3 year straight line from month of purchase

3 year straight line from month of purchase

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class

Licences and system costs

Patents and trademarks

Amortisation method and rate

20% per annum straight line from month of purchase

3 year straight line from 31 August 2019

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Notes to the Financial Statements for the Year Ended 31 December 2021

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with no recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is a contract that evidences a residual interest of the assets of the company after deducting all of its liabilities.

3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	<u>55,191,459</u>	<u>39,699,661</u>

The analysis of the company's Turnover for the year by market is as follows:

	2021	2020
	£	£
UK	51,758,034	39,352,229
Overseas	<u>3,433,425</u>	<u>347,432</u>
	<u>55,191,459</u>	<u>39,699,661</u>

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Notes to the Financial Statements for the Year Ended 31 December 2021

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021	2020
	£	£
Miscellaneous other operating income	<u>79,653</u>	<u>412,254</u>

5 Operating profit/(loss)

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	19,654	61,528
Amortisation expense	23,399	22,566
Operating lease expense - property	89	22,806
Profit on disposal of property, plant and equipment	<u>(58,139)</u>	<u>(30,787)</u>

6 Exceptional items

During the year ended 31 December 2020, the ownership of the company within the Amber Beverage Group was restructured. As part of that process a loan in favour of Amber Beverage Group Holdings S.a.r.l. was assigned to the company and an ordinary share issued to Amber Beverage Group Holdings S.a.r.l. at a premium. A further part of the overall restructuring entailed a decision to liquidate an interim holding company from which the loan referred to above was due. Consequently, the loan of £14,481,350.91 became irrecoverable and was written off the previous year's financial statements as an exceptional item.

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest due to group undertakings	147,545	143,799
Foreign exchange (losses)/gains	<u>(411,964)</u>	<u>542,514</u>
	<u>(264,419)</u>	<u>686,313</u>

**Amber Beverage UK Limited
(formerly Cellar Trends Limited)**

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	2,842,155	3,202,366
Social security costs	449,500	344,240
Other short-term employee benefits	24,379	26,218
Pension costs, defined contribution scheme	135,426	144,066
Other employee expense	1,436	-
	<u>3,452,896</u>	<u>3,716,890</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Administration and support	13	20
Management	11	3
Sales	27	31
Marketing	12	12
	<u>63</u>	<u>66</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	240,475	305,845
Contributions paid to money purchase schemes	7,203	24,500
	<u>247,678</u>	<u>330,345</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under defined benefit pension scheme	<u>1</u>	<u>2</u>

**Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	<u>240,475</u>	<u>153,030</u>

10 Auditors' remuneration

	2021	2020
	£	£
Audit of the financial statements	<u>38,675</u>	<u>49,438</u>

**Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

11 Intangible assets

	Trademarks, patents and licenses £	Total £
Cost or valuation		
At 1 January 2021	115,641	115,641
Additions acquired separately	<u>1,495</u>	<u>1,495</u>
At 31 December 2021	<u>117,136</u>	<u>117,136</u>
Amortisation		
At 1 January 2021	24,875	24,875
Amortisation charge	<u>23,400</u>	<u>23,400</u>
At 31 December 2021	<u>48,275</u>	<u>48,275</u>
Carrying amount		
At 31 December 2021	<u><u>68,861</u></u>	<u><u>68,861</u></u>
At 31 December 2020	<u><u>90,765</u></u>	<u><u>90,765</u></u>

**Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

12 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2021	366,231	238,360	604,591
Additions	5,936	-	5,936
Disposals	<u>-</u>	<u>(196,600)</u>	<u>(196,600)</u>
At 31 December 2021	<u>372,167</u>	<u>41,760</u>	<u>413,927</u>
Depreciation			
At 1 January 2021	341,153	223,690	564,843
Charge for the year	18,248	1,405	19,653
Eliminated on disposal	<u>-</u>	<u>(183,335)</u>	<u>(183,335)</u>
At 31 December 2021	<u>359,401</u>	<u>41,760</u>	<u>401,161</u>
Carrying amount			
At 31 December 2021	<u>12,766</u>	<u>-</u>	<u>12,766</u>
At 31 December 2020	<u>25,078</u>	<u>14,670</u>	<u>39,748</u>

13 Stocks

	2021 £	2020 £
Goods for resale	6,052,560	4,834,323
Non-resale stock	<u>1,739</u>	<u>1,829</u>
	<u>6,054,299</u>	<u>4,836,152</u>

**Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

14 Debtors

	2021	2020
Current	£	£
Trade debtors	14,739,677	10,590,764
Other debtors	119,775	1,256
Prepayments and accrued income	<u>274,455</u>	<u>669,936</u>
	<u><u>15,133,907</u></u>	<u><u>11,261,956</u></u>

Trade debtors includes amounts due by group undertakings arising from the sale of goods and services, as detailed in note 23, of £757,325 (2020: £318,983).

15 Cash and cash equivalents

	2021	2020
	£	£
Cash on hand	218	161
Cash at bank	<u>697,046</u>	<u>2,145,127</u>
	<u><u>697,264</u></u>	<u><u>2,145,288</u></u>

16 Creditors

		2021	2020
	Note	£	£
Due within one year			
Trade creditors		11,719,974	9,129,198
Social security and other taxes		778,748	1,570,737
Outstanding defined contribution pension costs		24,649	22,827
Accruals and deferred income		3,148,978	1,685,804
Dividends payable	21	<u>1,500,000</u>	<u>1,500,000</u>
		<u><u>17,172,349</u></u>	<u><u>13,908,566</u></u>
Due after one year			
Amounts owed to group undertakings - Loans and financing		<u><u>3,571,967</u></u>	<u><u>3,655,580</u></u>

Trade creditors includes amounts due to group undertakings arising from the purchase of goods and services, as detailed in note 23, of £2,317,104 (2020: £1,143,459).

**Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £135,426 (2020 - £144,066).

Contributions totalling £24,649 (2020 - £22,827) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>5,101</u>	<u>5,101</u>	<u>5,101</u>	<u>5,101</u>

There is a single class of Ordinary shares. There is no restriction on the distribution of dividends and repayment of capital.

19 Reserves

Share capital

Represents the nominal value of the shares issued

Share premium

Represents the premium value of the shares issued

Retained earnings

Includes current period and historic retained profits and losses

Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

20 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	239,430	239,430
Later than one year and not later than five years	<u>173,765</u>	<u>173,765</u>
	<u><u>413,195</u></u>	<u><u>413,195</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £248,640 (2020 - £214,600).

21 Dividends

	2021	2020
	£	£
Interim dividend of £Nil (2020 - £294.06) per ordinary share	<u>-</u>	<u>1,500,000</u>

22 Analysis of changes in net debt

	At 1 January 2021 £	Financing cash flows £	At 31 December 2021 £
Cash and cash equivalents			
Cash	2,145,288	(1,448,024)	697,264
Borrowings			
Long term borrowings	<u>(3,655,580)</u>	<u>83,613</u>	<u>(3,571,967)</u>
	<u><u>(1,510,292)</u></u>	<u><u>(1,364,411)</u></u>	<u><u>(2,874,703)</u></u>

**Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

23 Related party transactions

Summary of transactions with parent

The company is a wholly owned subsidiary of Amber Beverage Group Holdings S.a.r.l.

The amount owed to Amber Beverage Group Holdings S.a.r.l. at 31 December 2021 was £3,571,967 (2020: £3,655,580).

Summary of transactions with other related parties

The following trading transactions, between related parties (group companies), arose during the period:

Income and receivables from related parties

	Other related parties £
2021	
Sale of goods	2,397,899
Amounts receivable from related party	<u>757,325</u>
	Other related parties £
2020	
Sale of goods	2,187,079
Amounts receivable from related party	<u>318,983</u>

Expenditure with and payables to related parties

	Other related parties £
2021	
Purchase of goods	7,410,114
Interest on finance from group company	<u>147,545</u>
	<u>7,557,659</u>
Amounts payable to related party	<u>2,317,104</u>

**Amber Beverage UK Limited
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Notes to the Financial Statements for the Year Ended 31 December 2021

	Other related parties £
2020	
Purchase of goods	2,996,397
Interest on finance from group company	<u>143,694</u>
	<u>3,140,091</u>
Amounts payable to related party	<u><u>1,143,459</u></u>

24 Parent and ultimate parent undertaking

The company's immediate parent is Amber Beverage Group Holdings S.a.r.l., of 44 Rue de la Vallee, L-2661, Luxembourg.

The majority shareholder of the group of which the company is part of, is S.P.I. Group Holding Limited of 6 Maximou Michailidi, Maximos Plaza Tower 3, 3106, Limassol, Cyprus. The sole shareholder in that company is Mr Yuri Scheffler.