

Registration number: 03705002

# Amber Beverage UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



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

# **Amber Beverage UK Limited**

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# **Amber Beverage UK Limited**

## **Company Information**

<b>Directors</b>	J Stuge Sam Thackeray
<b>Registered office</b>	5th Floor 76 Charlotte Street London England W1T 4QS
<b>Auditors</b>	Morris & Young, Statutory Auditor Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

## Amber Beverage UK Limited

### Strategic Report for the Year Ended 31 December 2022

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

#### 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	2022	2021
Turnover	£	49,252,253	55,191,459
Profit/(Loss) before Tax	£	(231,013)	413,018

#### 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**

### **Strategic Report for the Year Ended 31 December 2022**

#### **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**

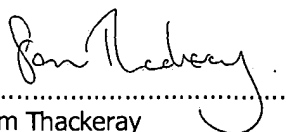
The revised UK Corporate Governance Code applies to accounting periods commencing on or after 1 January 2019. The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain how they considered the interests of key stakeholders and the broader matters set out in Section 172(1) a) 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 7 December 2023 and signed on its behalf by:



.....  
Sam Thackeray  
Director

## **Amber Beverage UK Limited**

### **Directors' Report for the Year Ended 31 December 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

#### **Directors of the company**

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

J Stuge

D B Cunningham (resigned 31 March 2023)

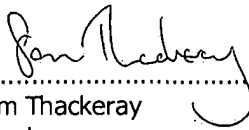
The following director was appointed after the year end:

Sam Thackeray (appointed 31 March 2023)

#### **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 7 December 2023 and signed on its behalf by:

  
.....  
Sam Thackeray  
Director

## **Amber Beverage UK 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**

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

#### **Opinion**

We have audited the financial statements of Amber Beverage UK Limited (the 'company') for the year ended 31 December 2022, 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).

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss 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.

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 opinion.

#### **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.



## **Amber Beverage UK Limited**

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

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**

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**

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.

## **Amber Beverage UK Limited**

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

#### **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:
  - 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 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;

## **Amber Beverage UK Limited**

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

- 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.

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.

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.

A further description of our responsibilities is available 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.

#### **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

12 December 2023

## **Amber Beverage UK Limited**

### **Profit and Loss Account for the Year Ended 31 December 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
Turnover	3	49,252,253	55,191,459
Cost of sales		<u>(41,076,174)</u>	<u>(46,816,727)</u>
Gross profit		8,176,079	8,374,732
Administrative expenses		(9,676,840)	(8,305,786)
Other operating income	4	<u>1,621,577</u>	<u>79,653</u>
Operating profit	5	120,816	148,599
Interest payable and similar expenses	6	<u>(351,829)</u>	<u>264,419</u>
(Loss)/profit before tax		<u>(231,013)</u>	<u>413,018</u>
(Loss)/profit for the financial year		<u><u>(231,013)</u></u>	<u><u>413,018</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 15 to 25 form an integral part of these financial statements.

## **Amber Beverage UK Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year	<u>(231,013)</u>	<u>413,018</u>
Total comprehensive income for the year	<u><u>(231,013)</u></u>	<u><u>413,018</u></u>

The notes on pages 15 to 25 form an integral part of these financial statements.

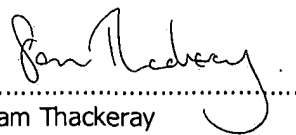
# Amber Beverage UK Limited

(Registration number: 03705002)

## Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	10	44,138	68,861
Tangible assets	11	<u>19,328</u>	<u>12,766</u>
		<u>63,466</u>	<u>81,627</u>
<b>Current assets</b>			
Stocks	12	6,657,566	6,054,299
Debtors	13	13,778,053	15,133,907
Cash at bank and in hand	14	<u>1,024,186</u>	<u>697,264</u>
		21,459,805	21,885,470
<b>Creditors:</b> Amounts falling due within one year	15	<u>(15,542,364)</u>	<u>(17,172,349)</u>
<b>Net current assets</b>		<u>5,917,441</u>	<u>4,713,121</u>
<b>Total assets less current liabilities</b>		5,980,907	4,794,748
<b>Creditors:</b> Amounts falling due after more than one year	15	<u>(4,989,139)</u>	<u>(3,571,967)</u>
<b>Net assets</b>		<u>991,768</u>	<u>1,222,781</u>
<b>Capital and reserves</b>			
Called up share capital	17	5,101	5,101
Share premium reserve	18	14,481,350	14,481,350
Retained earnings	18	<u>(13,494,683)</u>	<u>(13,263,670)</u>
Shareholders' funds		<u>991,768</u>	<u>1,222,781</u>

Approved and authorised by the Board on 7 December 2023 and signed on its behalf by:

  
 .....  
 Sam Thackeray  
 Director

The notes on pages 15 to 25 form an integral part of these financial statements.

## Amber Beverage UK Limited

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

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2022	<u>5,101</u>	<u>14,481,350</u>	<u>(13,263,670)</u>	<u>1,222,781</u>
Loss for the year	<u>-</u>	<u>-</u>	<u>(231,013)</u>	<u>(231,013)</u>
At 31 December 2022	<u><u>5,101</u></u>	<u><u>14,481,350</u></u>	<u><u>(13,494,683)</u></u>	<u><u>991,768</u></u>

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

The notes on pages 15 to 25 form an integral part of these financial statements.

## Amber Beverage UK Limited

### Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(231,013)	413,018
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	36,351	43,053
Loss/(profit) on disposal of tangible assets		1,471	(58,139)
Finance costs	6	<u>118,494</u>	<u>147,545</u>
		(74,697)	545,477
Working capital adjustments			
Increase in stocks	12	(603,267)	(1,218,147)
Decrease/(increase) in trade debtors	13	1,355,854	(3,871,951)
(Decrease)/increase in trade creditors	15	<u>(1,629,986)</u>	<u>3,263,782</u>
Net cash flow from operating activities		<u>(952,096)</u>	<u>(1,280,839)</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(19,684)	(5,936)
Proceeds from sale of tangible assets		(1,471)	71,404
Acquisition of intangible assets	10	-	(1,495)
Proceeds from sale of intangible assets		<u>1,495</u>	<u>-</u>
Net cash flows from investing activities		<u>(19,660)</u>	<u>63,973</u>
<b>Cash flows from financing activities</b>			
Interest paid	6	(118,494)	(147,545)
Repayment of group borrowing		-	(83,613)
Proceeds from group borrowing		<u>1,417,172</u>	<u>-</u>
Net cash flows from financing activities		<u>1,298,678</u>	<u>(231,158)</u>
Net increase/(decrease) in cash and cash equivalents		326,922	(1,448,024)
Cash and cash equivalents at 1 January 2022		<u>697,264</u>	<u>2,145,288</u>
Cash and cash equivalents at 31 December 2022		<u><u>1,024,186</u></u>	<u><u>697,264</u></u>

The notes on pages 15 to 25 form an integral part of these financial statements.



## **Amber Beverage UK Limited**

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

#### **1 General information**

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

The address of its registered office is:

5th Floor  
76 Charlotte Street  
London  
England  
W1T 4QS

These financial statements were authorised for issue by the Board on 7 December 2023.

#### **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

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

#### 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

##### Amortisation method and rate

20% per annum straight line from month of purchase

## **Amber Beverage UK Limited**

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

#### **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.

#### **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.

## Amber Beverage UK Limited

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

#### 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.

#### 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:

	2022	2021
	£	£
Sale of Goods and Services	<u>49,252,253</u>	<u>55,191,459</u>

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

	2022	2021
	£	£
UK	46,100,998	51,758,034
Overseas	<u>3,151,255</u>	<u>3,433,425</u>
	<u>49,252,253</u>	<u>55,191,459</u>

### 4 Other operating income

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

	2022	2021
	£	£
Miscellaneous other operating income	<u>1,621,577</u>	<u>79,653</u>

## Amber Beverage UK Limited

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

#### 5 Operating profit

Arrived at after charging/(crediting)

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation expense	13,122	19,654
Amortisation expense	23,229	23,399
Operating lease expense - property	-	89
Loss/(profit) on disposal of property, plant and equipment	<u>1,471</u>	<u>(58,139)</u>

#### 6 Interest payable and similar expenses

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest due to group undertakings	118,494	147,545
Foreign exchange gains/(losses)	<u>233,335</u>	<u>(411,964)</u>
	<u>351,829</u>	<u>(264,419)</u>

#### 7 Staff costs

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,834,512	2,842,155
Social security costs	410,416	449,500
Other short-term employee benefits	11,497	24,379
Pension costs, defined contribution scheme	166,565	135,426
Other employee expense	<u>3,838</u>	<u>1,436</u>
	<u>3,426,828</u>	<u>3,452,896</u>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Administration and support	14	13
Management	12	11
Sales	28	27
Marketing	<u>13</u>	<u>12</u>
	<u>67</u>	<u>63</u>

## Amber Beverage UK Limited

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

#### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	-	240,475
Contributions paid to money purchase schemes	-	7,203
	<u>-</u>	<u>247,678</u>

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

	2022 No.	2021 No.
Accruing benefits under defined benefit pension scheme	<u>1</u>	<u>1</u>

#### 9 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>37,460</u>	<u>38,675</u>

#### 10 Intangible assets

	Trademarks, patents and licenses £	Total £
<b>Cost or valuation</b>		
At 1 January 2022	117,136	117,136
Disposals	<u>(1,495)</u>	<u>(1,495)</u>
At 31 December 2022	<u>115,641</u>	<u>115,641</u>
<b>Amortisation</b>		
At 1 January 2022	48,275	48,275
Amortisation charge	<u>23,228</u>	<u>23,228</u>
At 31 December 2022	<u>71,503</u>	<u>71,503</u>
<b>Carrying amount</b>		
At 31 December 2022	<u>44,138</u>	<u>44,138</u>
At 31 December 2021	<u>68,861</u>	<u>68,861</u>

## Amber Beverage UK Limited

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

#### 11 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	372,167	41,760	413,927
Additions	<u>19,684</u>	<u>-</u>	<u>19,684</u>
At 31 December 2022	<u>391,851</u>	<u>41,760</u>	<u>433,611</u>
<b>Depreciation</b>			
At 1 January 2022	359,401	41,760	401,161
Charge for the year	<u>13,122</u>	<u>-</u>	<u>13,122</u>
At 31 December 2022	<u>372,523</u>	<u>41,760</u>	<u>414,283</u>
<b>Carrying amount</b>			
At 31 December 2022	<u>19,328</u>	<u>-</u>	<u>19,328</u>
At 31 December 2021	<u>12,766</u>	<u>-</u>	<u>12,766</u>

#### 12 Stocks

	2022 £	2021 £
Goods for resale	6,176,895	6,052,560
Non-resale stock	209	1,739
Goods in transit	<u>480,462</u>	<u>-</u>
	<u>6,657,566</u>	<u>6,054,299</u>

#### 13 Debtors

	2022 £	2021 £
<b>Current</b>		
Trade debtors	12,396,629	14,739,677
Other debtors	113,638	119,775
Prepayments and accrued income	<u>1,267,786</u>	<u>274,455</u>
	<u>13,778,053</u>	<u>15,133,907</u>

Trade debtors includes amounts due by group undertakings arising from the sale of goods and services, as detailed in note 21, of £369,805 (2021: £757,325).

## Amber Beverage UK Limited

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

#### 14 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	369	218
Cash at bank	<u>1,023,817</u>	<u>697,046</u>
	<u><u>1,024,186</u></u>	<u><u>697,264</u></u>

#### 15 Creditors

	2022 £	2021 £
<b>Due within one year</b>		
Trade creditors	10,203,418	11,719,974
Social security and other taxes	1,507,699	778,748
Outstanding defined contribution pension costs	28,574	24,649
Accruals and deferred income	2,302,673	3,148,978
Dividends payable	<u>1,500,000</u>	<u>1,500,000</u>
	<u><u>15,542,364</u></u>	<u><u>17,172,349</u></u>
<b>Due after one year</b>		
Amounts owed to group undertakings - Loans and financing	<u><u>4,989,139</u></u>	<u><u>3,571,967</u></u>

Trade creditors includes amounts due to group undertakings arising from the purchase of goods and services, as detailed in note 21, of £2,383,361 (2021: £2,317,104).

#### 16 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 £166,565 (2021 - £135,426).

Contributions totalling £28,574 (2021 - £24,649) were payable to the scheme at the end of the year and are included in creditors.



## Amber Beverage UK Limited

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

#### 17 Share capital

##### Allotted, called up and fully paid shares

	2022		2021	
	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.

#### 18 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

#### 19 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	173,765	239,430
Later than one year and not later than five years	<u>-</u>	<u>173,765</u>
	<u>173,765</u>	<u>413,195</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £217,816 (2021 - £248,640).

## Amber Beverage UK Limited

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

#### 20 Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
<b>Cash and cash equivalents</b>			
Cash	697,264	(370,342)	326,922
<b>Borrowings</b>			
Long term borrowings	<u>(3,571,967)</u>	<u>(1,417,172)</u>	<u>(4,989,139)</u>
	<u>(2,874,703)</u>	<u>(1,787,514)</u>	<u>(4,662,217)</u>

#### 21 Related party transactions

##### Summary of transactions with parent

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

##### 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 £
<b>2022</b>	
Amounts receivable from related party	<u>369,805</u>
<b>2021</b>	
Sale of goods	<u>2,397,899</u>
Amounts receivable from related party	<u>757,325</u>

## Amber Beverage UK Limited

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

#### Expenditure with and payables to related parties

	Other related parties £
<b>2022</b>	
Interest on finance from group company	118,494
Amounts payable to related party	<u>2,383,361</u>
	Other related parties £
<b>2021</b>	
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>

#### 22 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.