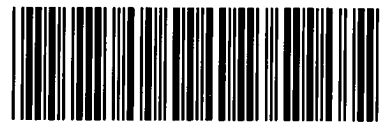


GLOBAL BRANDS (GBL) HOLDINGS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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GLOBAL BRANDS (GBL) HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | MP James SJ Garcia Perez S Bacon |
| Registered number | 08082265 |
| Registered office | Casa Hotel 5th Floor Lockoford Lane Chesterfield Derbyshire S41 7JB |
| Independent auditor | Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA |
| Bankers | Barclays Bank PLC 37 Rose Hill Chesterfield Derbyshire S40 1LS |
| Solicitors | BRM Law Limited 99 Saltergate Chesterfield Derbyshire S40 1LD |

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

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GLOBAL BRANDS (GBL) HOLDINGS LIMITED

Introduction

The principal activities of the group are: wholesale of alcoholic and non-alcoholic drinks, owned brands e.g. VK, Franklins, Kick, Amigos and Jungfrau, licensed brands e.g. Hooch and Hooper's and third-party brands; the operation of 2 4* hotels, with restaurant and conference facilities at Casa Hotel, Chesterfield and Peak Edge Hotel on the outskirts of Chesterfield. The group also has a residential property development business.

The principal activity of the company is to act as a holding company for the Global Brands and Casa Hotel group.

Business review

Global Brands Limited

This has been another record year for the business despite much of the year affected by the Pandemic with the new variant Omicron. The December 2021 trading period and first quarter of 2022 were difficult for our on trade customers, but once again the off trade benefitted as consumers chose to stay at home. Our turnover increased for the sixth consecutive year to £84m a 26.4% increase on the previous year (£67m). Our international business was over £5m for the first time in the history of the business and this remains an important area of growth. We launched Franklin & Sons Tonics and Mixers in the US in 2019 as the pandemic struck, during this financial year we have secured two large wholesalers and we are now in a position to fully launch the brand across the US. Our international business has increased by 50%. We are now the biggest supplier of canned cocktails into the off trade and the biggest supplier of Ready to Drink into the UK on premises. NPD is the life blood of our business we have seen successful launch of Lustre Plant based cream liqueurs and we have been working on exciting new products due to be launched during 2023. Profitability once again increased with operating profit of £6.9m compared to the previous year £6.2m. The business continues to generate cash and is in good shape for the year ahead.

Casa Hotel

A more normal trading year with the exception of December 21 – March 22 which was affected by the pandemic. Christmas trading was badly affected as most corporates and a significant proportion of guests cancelled their festive celebrations. CASA relies on our corporate clients and although not back to pre-pandemic levels the corporate business began to return in the second half of the year. We saw an uplift in meeting room space as more companies got together off site after reducing their office space over the past two years. We have invested in our property to maintain standards and efficiency which will keep us competitive in the coming year. We experienced significant increase in overheads during the year the major increase was energy costs increased 250% YOY. Payroll costs increased significantly as a result of wage inflation and the shortage of staff in the hospitality sector. We have passed on these increases on to our customers to remain profitable.

Casa Property

The business receives rents from Casa Hotel for the ground and first four floors; Global Brands Limited occupies the top two floors.

Peak Edge Hotel Limited

A more normal trading year with the exception of December 21 – March 22 which was affected by the pandemic.

Christmas trading was badly affected as most guests decided to cancel their festive celebrations. Peak Edge benefited throughout the spring/summer period with additional wedding delayed due to the pandemic.

We have invested in our property to maintain standards and efficiency which will keep us competitive in the coming year.

We obtained planning permission for another 27 bedrooms and luxury spa and expect work to commence 23/24.

Bradbury Hall Developments

Bradbury Hall Developments continues to market the remaining unsold units and latterly the housing market has picked up slightly. All these units are on short term rental agreements until they are sold.

Cash flow

The groups operating cash flow remains strong, we have funded a number of projects this financial year from our cash reserves and with business getting back to more normal trading patterns our position is strong.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

We have assessed the carrying values of all the properties within the group and we are satisfied with the valuations given the current climate. Global Brands Limited continues to generate enough cash flow to fund the group and with CASA Hotel and Peak Edge back to normality the group's position remains strong.

Financial key performance indicators

The following financial key performance indicators are believed to be valuable within the business:

Gross margin %, defined as gross profit / turnover: 28.8% (2021: 27.2%)

Operating profit %, defined as operating profit / turnover: 7.4% (2021: 6.6%)

Current asset days, defined as net current assets / turnover x 365: 71 (2021: 55)

Other key performance indicators

New product development is at the heart of the business and we continue to introduce innovative ideas and concepts. VK has now cemented its position as the No1 RTD.

Future developments

There are no significant future developments which require disclosure within this report.

Directors' statement of compliance with the duty to promote the success of the group

The directors have acted in a way they consider, in good faith, promotes the success of the group for the benefit of its members as a whole, and in doing so has given regards (amongst other matters) to:

Business relationships

The need to build strong longstanding relationships with both suppliers and with our customers, is paramount to the success of the business and its longevity. We continually develop strategies to maintain and grow our offering and customer base and to further improve relationships with suppliers.

Our people

The group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, communities and society as a whole. People are the heart of the business delivering great customer service. For our business to continue to succeed we continually manage our people's performance and develop and bring through talent which ensures we operate as efficiently as possible.

Disabled employees

The group gives full and fair applications for employment by disabled persons. In the event of employees becoming disabled whilst in the service of the group, every effort is made to continue their employment to transfer to alternative duties, if required, and by provision of such retraining as is appropriate.

Employee involvement

Regular meetings are held between the operational management and employees to allow free flow of information and ideas within the team. We have done several Q&A sessions online during the year where employees can ask more difficult questions anonymously.

Culture and values

The group recognises the importance of having the right culture within the business. We continue to develop an open culture and continually look at ways to improve our family culture.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

This report was approved by the board and signed on its behalf.

DocuSigned by:

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SJ Garcia Perez
Director

Date: 23 June 2023

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report and the financial statements for the year ended 30 September 2022.

Directors' responsibilities statement

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

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

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

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

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

Results and dividends

The profit for the year, after taxation, amounted to £4,811,000, (2021: £4,363,000).

During the year dividends of £272,000 (2021: £244,000) were paid to the non-controlling interest.

The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year are disclosed on the company information page.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**Strategic report**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

Streamlined Energy and Carbon Reporting (SECR)

| | 2022 | 2021 |
|--|-----------|-----------|
| The Group's energy consumption used to calculate emissions (kWh) | 7,342,725 | 4,987,802 |
| Energy consumption breakdown (kWh): | | |
| Gas | 2,682,755 | 1,223,794 |
| Electricity | 2,218,267 | 1,788,770 |
| Transport fuel | 2,441,703 | 1,975,237 |
| Scope 1 emissions in metric tonnes CO ₂ e | | |
| Gas consumption | 535 | 239 |
| Owed transport | 557 | 457 |
| Total scope | 1,092 | 696 |
| Scope 2 emissions in metric tonnes CO ₂ e | | |
| Electricity | 424 | 380 |
| Scope 3 emissions in metric tonnes CO ₂ e | | |
| Business travel in employee owned vehicles | 70 | 43 |
| Total gross emissions in metric tonnes CO ₂ e | 1,586 | 1,119 |
| Intensity ratio Tonnes CO ₂ e per turnover | 0.017 | 0.016 |

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard, Defra's Environment Reporting guidelines, and the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per turnover, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have numerous projects aimed at reducing our carbon footprint:

Manufacturing projects, moving to 99.5% recycled PET bottles, 100% recycled paper labels and we have replaced our shrink wrappers in the warehouse, with power pre-stretched machines. This has reduced our plastic shrink wrap usage by 75%.

Energy Savings projects, Clay Cross Warehouse replacing all bulbs with LED lighting and also looking at putting Solar Panels on the roof of the new warehouse extension. Peak Edge Hotel, looking at Solar Panels and wind turbine options. CASA Hotel, replaced all bulbs with LED lighting in the hotel and a planned project to do the same in the offices above the hotel. We are also looking at the viability of Solar panels on the roof and 5th floor terrace.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Disclosure of information to auditor

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

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

This report was approved by the board and signed on its behalf.

DocuSigned by:


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SJ Garcia Perez
Director

Date: 23 June 2023

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL BRANDS (GBL) HOLDINGS LIMITED

Opinion

We have audited the financial statements of Global Brands (GBL) Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022, which comprise the group profit and loss account, the group and company balance sheets, the group statement of cash flows, the group and company statement of changes in equity, and the related notes, 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 30 September 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL BRANDS (GBL) HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

Matters on which we are required to report by exception

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.

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

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL BRANDS (GBL) HOLDINGS 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 Group financial statements.

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:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of other clients within the retail industry;
- we obtain an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of the legal and professional nominal codes;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and walkthroughs;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- agreeing financial statement disclosures to underlying supporting documentation; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations
- address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were appropriate and free from bias, specifically, but not limited to those in relation to the calculation of rebates, inventory and trade debt, and the completeness of provisions.
- investigated the rationale behind significant or unusual transactions;
- reviewed management's basis for provisions; and
- reviewed certain nominal codes for indication of any management override.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL BRANDS (GBL) HOLDINGS LIMITED (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

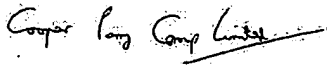
- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and associated parties.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

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



Neil Calder (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 27 June 2023

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | Note | 2022 £000 | 2021 £000 |
|---|-------|--------------|--------------|
| Turnover | 1.5,3 | 92,447 | 71,085 |
| Cost of sales | | (65,746) | (52,673) |
| Gross profit | | 26,701 | 18,412 |
| Distribution costs | | (3,512) | (2,703) |
| Administrative expenses | | (17,240) | (11,990) |
| Other operating income | 4 | 870 | 2,445 |
| Operating profit | 5 | 6,819 | 6,164 |
| Interest payable | 9 | (476) | (405) |
| Profit on ordinary activities before taxation | | 6,343 | 5,759 |
| Taxation on profit on ordinary activities | 10 | (1,532) | (1,396) |
| Profit for the financial year | | 4,811 | 4,363 |
| Total comprehensive income for the year attributable to: | | | |
| Non-controlling interest | | 869 | 778 |
| Owners of the parent company | | 3,942 | 3,585 |
| | | 4,811 | 4,363 |

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

The notes on pages 18 to 36 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED
REGISTERED NUMBER: 08082265

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2022

| | Note | 2022 £000 | 2021 £000 |
|--|------|---------------|---------------|
| Fixed assets | | | |
| Intangible fixed assets | 11 | 1,486 | 1,851 |
| Tangible Fixed Assets | 12 | 21,303 | 19,120 |
| | | <u>22,789</u> | <u>20,971</u> |
| Current assets | | | |
| Stocks | 14 | 20,209 | 17,533 |
| Debtors Within One Year | 15 | 19,674 | 21,816 |
| Cash at bank and in hand | | 559 | 1,117 |
| | | <u>40,442</u> | <u>40,466</u> |
| Creditors: amounts falling due within one year | 16 | (22,519) | (27,481) |
| Net current assets | | <u>17,923</u> | <u>12,985</u> |
| Total assets less current liabilities | | <u>40,712</u> | <u>33,956</u> |
| Creditors: amounts falling due after more than one year | 17 | (12,422) | (10,582) |
| Provisions for liabilities | | | |
| Deferred tax | 18 | (1,549) | (1,172) |
| Net assets | | <u>26,741</u> | <u>22,202</u> |
| Capital and reserves | | | |
| Called up share capital | 19 | 11 | 11 |
| Profit and loss account | | 25,599 | 21,657 |
| Equity attributable to owners of the parent company | | <u>25,610</u> | <u>21,668</u> |
| Non-controlling interests | | 1,131 | 534 |
| Shareholders' funds | | <u>26,741</u> | <u>22,202</u> |

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

DocuSigned by:

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SJ Garcia Perez
Director

Date: 23 June 2023


The notes on pages 19 to 40 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED
REGISTERED NUMBER: 08082265

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2022

| | Note | 2022 £000 | 2021 £000 |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Investments | 13 | 262 | 262 |
| | | <u>262</u> | <u>262</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 15 | 10,609 | 10,336 |
| Creditors: amounts falling due within one year | 16 | (3,312) | (2,498) |
| Net current assets | | <u>7,297</u> | <u>7,838</u> |
| Total assets less current liabilities | | <u>7,559</u> | <u>8,100</u> |
| Creditors: amounts falling due after more than one year | 17 | (7,445) | (7,956) |
| Net assets | | <u><u>114</u></u> | <u><u>144</u></u> |
| Capital and reserves | | | |
| Called up share capital | 19 | 11 | 11 |
| Profit and loss account | | 103 | 133 |
| Shareholders funds' | | <u><u>114</u></u> | <u><u>144</u></u> |

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

DocuSigned by:

5FBF6959545F47B...
SJ Garcia Perez
Director 23 June 2023

The notes on pages 18 to 36 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | Called up share capital | Profit and loss account | Non- controlling interests | Total equity |
|-----------------------------|----------------------------|----------------------------|----------------------------------|---------------|
| | £000 | £000 | £000 | £000 |
| At 1 October 2021 | 11 | 21,657 | 534 | 22,202 |
| Profit for the year | - | 3,942 | 869 | 4,811 |
| Dividend paid | - | - | (272) | (272) |
| At 30 September 2022 | 11 | 25,599 | 1,131 | 26,741 |

The notes on pages 18 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | Called up share capital | Profit and loss account | Non- controlling interests | Total equity |
|-----------------------------|----------------------------|----------------------------|----------------------------------|---------------|
| | £000 | £000 | £000 | £000 |
| At 1 October 2020 | 11 | 18,072 | - | 18,083 |
| Profit for the year | - | 3,585 | 778 | 4,363 |
| Dividend paid | - | - | (244) | (244) |
| At 30 September 2021 | 11 | 21,657 | 534 | 22,202 |

The notes on pages 18 to 36 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

| | Called up share capital | Profit and loss account | Total equity |
|-----------------------------|------------------------------------|------------------------------------|---------------------|
| | £000 | £000 | £000 |
| At 1 October 2021 | 11 | 133 | 144 |
| Loss for the year | - | (30) | (30) |
| At 30 September 2022 | 11 | 103 | 114 |

The notes on pages 18 to 36 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

| | Called up share capital | Profit and loss account | Total equity |
|-----------------------------|------------------------------------|------------------------------------|---------------------|
| | £000 | £000 | £000 |
| At 1 October 2020 | 11 | 166 | 177 |
| Loss for the year | - | (33) | (33) |
| At 30 September 2021 | 11 | 133 | 144 |

The notes on pages 18 to 36 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | 2022 £000 | 2021 £000 |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 4,811 | 4,363 |
| Adjustments for: | | |
| Amortisation of intangible assets | 374 | 376 |
| Depreciation of tangible assets | 1,354 | 1,159 |
| Impairments of fixed assets | 300 | - |
| (Gain)/loss on disposal of tangible assets | (221) | (45) |
| Interest paid | 473 | 405 |
| Taxation charge | 1,532 | 1,396 |
| (Increase)/decrease in stocks | (2,672) | 1,539 |
| Decrease/(increase) in debtors | 2,210 | (7,562) |
| (Decrease)/Increase in creditors | (1,869) | 6,228 |
| Corporation tax (paid) | (1,675) | (709) |
| Net cash generated from operating activities | 4,617 | 7,150 |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (9) | (8) |
| Purchase of tangible fixed assets | (3,864) | (2,818) |
| Sale of tangible fixed assets | 248 | 156 |
| Fixed asset investment adjustment | - | 131 |
| Net cash used in investing activities | (3,625) | (2,539) |
| Cash flows from financing activities | | |
| Repayment of loans | (805) | (109) |
| Interest paid | (473) | (405) |
| Dividends paid to non controlling interests | (272) | (244) |
| Net cash used in financing activities | (1,550) | (758) |
| Net (decrease)/increase in cash and cash equivalents | (558) | 3,853 |
| Cash and cash equivalents at beginning of year | 1,117 | (2,736) |
| Cash and cash equivalents at the end of year | 559 | 1,117 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 559 | 1,117 |
| | 559 | 1,117 |

The notes on pages 18 to 36 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | At 1 October 2021 £000 | Cash flows £000 | Other non- cash changes £000 | At 30 September 2022 £000 |
|--------------------------|---------------------------------|--------------------|---------------------------------------|------------------------------------|
| Cash at bank and in hand | 1,117 | (558) | - | 559 |
| Debt due within 1 year | (3,393) | 158 | 2,497 | (738) |
| Debt due after 1 year | (10,245) | 647 | (2,497) | (12,095) |
| | <u>(12,521)</u> | <u>247</u> | <u>-</u> | <u>(12,274)</u> |

The notes on pages 18 to 36 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

Global Brands (GBL) Holdings Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£000) which is the functional currency of the company and group. The financial statements are for the year ended 30 September 2022 (2021: year ended 30 September 2021).

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied consistently throughout the year:

1.2 Basis of consolidation

The consolidated financial statements present the results of the parent company and its own subsidiaries ('the group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. All companies in the group have the same accounting reference date.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss after tax of the parent company for the year was £30,000 (2021: £33,000).

1.3 Non-controlling interest

These financial statements consolidate 100% of the assets and liabilities of subsidiaries under the control of the group. A non-controlling interest is recognised within equity for the share of the net assets attributable to minority shareholders.

1.4 Going concern

At the balance sheet date the group was operating comfortably inside its overdraft facility and had net current assets of £17,922,000.

The directors have produced forecasts for the Global Brands (GBL) Holdings Limited group of companies for the period to June 2023. These forecasts demonstrate that the group will continue to be able to operate within the banking facilities available to it for a period of at least 12 months from the date of signing these accounts.

On that basis, the directors have prepared these financial statements on a going concern basis.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.5 Turnover

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

Sale of goods

Turnover 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 turnover 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.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.7 Intangible fixed assets and amortisation

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

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated, using the straight line method, to allocate the depreciable amount of the assets to their residual value over their estimated useful lives.

The estimated useful lives range as follows:

| | |
|------------|--------------------------|
| Patents | - 20 years straight line |
| Trademarks | - 20 years straight line |
| Goodwill | - 10 years straight line |

1.8 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

| | |
|----------------------------------|-------------------------|
| Freehold property | - 2 - 10% straight line |
| Plant and machinery | - 25% straight line |
| Motor vehicles | - 25% straight line |
| Fixtures, fittings and equipment | - 25% 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 in the profit and loss account.

At each balance sheet date, the group reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.9 Research and development

Research and development expenditure is written off to the profit and loss account in the year which it is incurred.

1.10 Valuation of investments

Investments in subsidiary undertakings are initially valued at cost and are reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable 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 the consolidated profit and loss account.

Stocks relating to properties developed for sale are stated at the lower of cost and net realisable value. All costs that relate to properties, including the interest accruing on related loans, are capitalised within work in progress.

1.12 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.

1.13 Rental income

Rental income is received from operating lease rental charges and released to the profit and loss account on a straight line basis over the life of the lease.

1.14 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.15 Financial instruments

The group only enters into basic financial instruments 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 and loans to and from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an assets carrying amount and the 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 balance sheet date.

1.16 Foreign currency translation

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

At each year 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 are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account in the year to which they relate.

1.17 Finance costs

Finance costs are charged to the profit and loss account 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.

1.18 Dividends

Equity dividends are recognised when they become legally payable.

1.19 Pensions

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 payment obligations.

The contributions are recognised as an expense in the consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies (continued)

1.20 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 balance sheet 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 balance sheet.

1.21 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.22 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet 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 balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Impairment of fixed assets

The directors assess the impairment of tangible fixed assets and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Depreciation, amortisation and residual values

The directors have reviewed the asset lives and associated residual values of all asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Carrying value of stocks

The directors review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the group's products and achievable selling prices.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such a difference will impact the carrying value of debtors and the charge in the consolidated profit and loss account.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. Turnover

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

| | 2022 £000 | 2021 £000 |
|--|---------------|---------------|
| Wholesale of alcohol and non-alcoholic drinks | 84,453 | 66,829 |
| Operation of hotel, restaurant and conference facilities | 7,994 | 4,256 |
| | <u>92,447</u> | <u>71,085</u> |

Analysis of turnover by country of destination:

| | 2022 £000 | 2021 £000 |
|-------------------|---------------|---------------|
| United Kingdom | 87,210 | 67,393 |
| Rest of Europe | 3,555 | 2,555 |
| Rest of the world | 1,682 | 1,137 |
| | <u>92,447</u> | <u>71,085</u> |

4. Other operating income

| | 2022 £000 | 2021 £000 |
|------------------------------|--------------|--------------|
| Rental income | 842 | 687 |
| Government grants receivable | 28 | 1,658 |
| Insurance claims receivable | - | 100 |
| | <u>870</u> | <u>2,445</u> |

Rental income is generated from the short term lease of properties held in stock.

Government grants relate to income received under the Hospitality grant scheme and in the prior year, the Coronavirus Job Retention Scheme.

5. Operating profit

The operating profit is stated after charging/(crediting):

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Depreciation of tangible assets | 1,354 | 1,159 |
| Amortisation | 374 | 376 |
| Foreign exchange differences | 41 | 11 |
| Operating lease rentals | 83 | 27 |
| Profit/(Loss) on disposal of tangible assets | 221 | (45) |

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

6. Auditor's remuneration

| | 2022 £000 | 2021 £000 |
|---|-------------------|-------------------|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | 49 | 46 |
| Fees payable to the Group's auditor and its associates in respect of: | | |
| Taxation compliance services | 16 | 16 |
| General taxation advice | 9 | 5 |
| All other services | 2 | 5 |
| | <u> </u> | <u> </u> |

7. Staff costs

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

| | Group 2022 £000 | Group 2021 £000 | Company 2022 £000 | Company 2021 £000 |
|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Wages and salaries | 10,178 | 7,764 | - | - |
| Social security costs | 891 | 677 | - | - |
| Pension costs | 589 | 504 | - | - |
| | <u>11,658</u> | <u>8,945</u> | <u>-</u> | <u>-</u> |

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

| | 2022 No. | 2021 No. |
|----------------|-------------|-------------|
| Directors | 5 | 4 |
| Sales | 92 | 86 |
| Administration | 38 | 39 |
| Distribution | 63 | 106 |
| Operations | 193 | 89 |
| | <u>391</u> | <u>324</u> |

The company has no employees other than the directors.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. Directors' remuneration

| | 2022 £000 | 2021 £000 |
|-----------------------|-------------------|-------------------|
| Directors' emoluments | 356 | 276 |
| Pension costs | 16 | 29 |
| | <u> </u> | <u> </u> |

During the year retirement benefits were accruing to 3 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £172,000 (2021: £144,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,000 (2021: £1,000).

9. Interest payable

| | 2022 £000 | 2021 £000 |
|-----------------------------|-------------------|-------------------|
| Bank interest payable | 407 | 332 |
| Other loan interest payable | 69 | 73 |
| | <u> </u> | <u> </u> |
| | <u>476</u> | <u>405</u> |

10. Taxation

| | 2022 £000 | 2021 £000 |
|--|-------------------|-------------------|
| Corporation tax | | |
| Current taxation on profits for the year | 1,143 | 959 |
| Adjustments in respect of previous periods | 11 | (53) |
| | <u> </u> | <u> </u> |
| Total current tax | <u>1,154</u> | <u>906</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 384 | 267 |
| Adjustments in respect of prior periods | 2 | 6 |
| Effect of tax rate change on opening balance | (8) | 217 |
| | <u> </u> | <u> </u> |
| Taxation on profit on ordinary activities | <u>1,532</u> | <u>1,396</u> |

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. Taxation (continued)

Factors affecting tax charge for the year

The taxation assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| Profit on ordinary activities before tax | 6,343 | 5,759 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2020: 19.0%) | 1,205 | 1,092 |
| Effects of: | | |
| Fixed asset differences | (26) | 39 |
| Expenses not deductible for tax purposes | 140 | 74 |
| Capital allowances for year in excess of depreciation | (18) | 70 |
| Adjustment to deferred tax rate | - | 7 |
| Deduction for R&D expenditure | (44) | (57) |
| Adjustments to tax charge in respect of prior periods | 11 | (53) |
| Adjustments to tax charge in respect of prior periods (deferred tax) | 16 | - |
| Other short term timing differences | 159 | - |
| Deferred tax not recognised | 17 | 5 |
| Remeasurement of deferred tax for changes in tax rates | 72 | 219 |
| Total tax charge for the year | 1,532 | 1,396 |

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at 30 September 2022. As such, the deferred tax rate applicable at 30 September 2022 is 25% and deferred tax has been re-measured at this rate.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Intangible assets

Group

| | Patents £000 | Trademarks £000 | Goodwill £000 | Total £000 |
|-----------------------|-----------------|--------------------|------------------|---------------|
| Cost | | | | |
| At 1 October 2021 | 556 | 406 | 3,279 | 4,241 |
| Additions | - | 9 | - | 9 |
| At 30 September 2022 | 556 | 415 | 3,279 | 4,250 |
| Amortisation | | | | |
| At 1 October 2021 | 556 | 385 | 1,449 | 2,390 |
| Charge for the year | - | 10 | 364 | 374 |
| At 30 September 2022 | 556 | 395 | 1,813 | 2,764 |
| Net book value | | | | |
| At 30 September 2022 | - | 20 | 1,466 | 1,486 |
| At 30 September 2021 | - | 21 | 1,829 | 1,850 |

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

12. Tangible fixed assets

Group

| | Freehold property £000 | Plant and machinery £000 | Motor vehicles £000 | Fixtures, fittings and equipment £000 | Total £000 |
|--------------------------|------------------------------|--------------------------------|---------------------------|--|---------------|
| Cost or valuation | | | | | |
| At 1 October 2021 | 20,989 | 4,401 | 2,018 | 5,374 | 32,782 |
| Additions | 2,263 | 255 | 700 | 646 | 3,864 |
| Disposals | (73) | (515) | (359) | (147) | (1,094) |
| At 30 September 2022 | <u>23,179</u> | <u>4,141</u> | <u>2,359</u> | <u>5,873</u> | <u>35,552</u> |
| Depreciation | | | | | |
| At 1 October 2021 | 3,771 | 3,640 | 1,520 | 4,731 | 13,662 |
| Charge for the year | 566 | 123 | 250 | 415 | 1,354 |
| Disposals | (71) | (509) | (344) | (143) | (1,067) |
| Impairment charge | 300 | - | - | - | 300 |
| At 30 September 2022 | <u>4,566</u> | <u>3,254</u> | <u>1,426</u> | <u>5,003</u> | <u>14,249</u> |
| Net book value | | | | | |
| At 30 September 2022 | <u>18,613</u> | <u>887</u> | <u>933</u> | <u>870</u> | <u>21,303</u> |
| At 30 September 2021 | <u>17,218</u> | <u>761</u> | <u>498</u> | <u>643</u> | <u>19,120</u> |

Included in freehold property is freehold land at valuation of £1,200,000 (2021: £1,200,000) which is not depreciated.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

13. Fixed asset investments

Company

Investments
in
subsidiary
companies
£000

Cost

At 1 October 2021

262

At 30 September 2022

262

Net book value

At 30 September 2022

262

At 30 September 2021

262

Principal subsidiaries

The following were direct subsidiary undertakings of the company:

| Name | Principal activity | Class of shares | Holding | |
|------------------------------------|---|-----------------|---------|---|
| Global Brands Limited | Wholesale of alcoholic and non-alcoholic drinks | Ordinary | 90 | % |
| Bradbury Hall Developments Limited | Residential property development | Ordinary | 100 | % |
| Casa Hotel Holdings Limited | Holding company | Ordinary | 100 | % |

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

13. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

| Name | Principal activity | Class of shares | Holding | |
|----------------------------------|--|-----------------|---------|---|
| Casa Hotel Limited | Operation of hotel, restaurant and conference facilities | Ordinary | 100 | % |
| Casa Property Limited | Hotel property rental Operation of hotel, restaurant and conference | Ordinary | 100 | % |
| Peak Edge Hotel Limited | Dormant | Ordinary | 100 | % |
| Inspirit Drinks Limited | Dormant | Ordinary | 90 | % |
| VK Brands Limited | Dormant | Ordinary | 90 | % |
| Corky's Brands Limited | Dormant | Ordinary | 90 | % |
| Furnace Hill Management Services | Dormant | Ordinary | 90 | % |
| Global Brands US Inc. | Wholesale of alcoholic and non-alcoholic drinks | Ordinary | 100 | % |

All other subsidiaries have the same registered office as Global Brands (GBL) Holdings Limited, as shown on the company information page with the exception of Global Brands US Inc, which is registered at 427 Castle Glen CT STE 101, Ballwin MO 63021.

14. Stocks

| | Group 2022 £000 | Group 2021 £000 |
|-------------------------------------|-----------------------|-----------------------|
| Raw materials and consumables | 1,734 | 2,110 |
| Work in progress | 7,078 | 7,078 |
| Finished goods and goods for resale | 11,397 | 8,345 |
| | <u>20,209</u> | <u>17,533</u> |

An impairment gain of £147,000 (2021: loss of £19,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

15. Debtors

| | Group 2022 £000 | Group 2021 £000 | Company 2022 £000 | Company 2021 £000 |
|------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Due within one year | | | | |
| Trade debtors | 17,401 | 20,245 | - | - |
| Amounts owed by group undertakings | - | - | 10,609 | 10,336 |
| Other debtors | 1,334 | 648 | - | - |
| Prepayments and accrued income | 939 | 923 | - | - |
| | <u>19,674</u> | <u>21,816</u> | <u>10,609</u> | <u>10,336</u> |

An impairment loss of £Nil (2021: £Nil) was recognised in administrative expenses against trade debtors during the year.

16. Creditors: Amounts falling due within one year

| | Group 2022 £000 | Group 2021 £000 | Company 2022 £000 | Company 2021 £000 |
|------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Bank loans | 738 | 3,393 | 475 | 475 |
| Trade creditors | 7,044 | 8,638 | - | - |
| Amounts owed to group undertakings | - | - | 2,774 | 1,987 |
| Corporation tax | 447 | 897 | - | - |
| Other taxation and social security | 580 | 405 | - | - |
| Other creditors | 1,853 | 2,303 | - | - |
| Accruals and deferred income | 11,857 | 11,845 | 63 | 36 |
| | <u>22,519</u> | <u>27,481</u> | <u>3,312</u> | <u>2,498</u> |

The bank overdraft is secured by way of a fixed and floating charge over the assets of the group.

For further details of security see note 17.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

| | Group 2022 £000 | Group 2021 £000 | Company 2022 £000 | Company 2021 £000 |
|----------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Bank loans | 12,095 | 10,245 | 7,445 | 7,956 |
| Government grants received | 327 | 337 | - | - |
| | <u>12,422</u> | <u>10,582</u> | <u>7,445</u> | <u>7,956</u> |

The bank loans are secured on the property held by the group and interest is charged at 1.8% over base rate. Bank loans are underwritten by a director, SJ Garcia Perez.

Included within the above is a bank loan of £7,920,265 (2021: £8,431,000) which is repayable in equal quarterly instalments of £32,861, with the balance being repaid in a lump sum on 5 August 2025.

Included within the above is a bank loan of £2,628,859 (2021: £2,790,000) which is repayable in equal quarterly instalments of £118,750, with the balance being repaid in a lump sum on 11 January 2024.

Included within the above is a bank loan of £2,285,203 (2021: £2,416,000) which is repayable in equal monthly instalments of £10,987 over a 2 year period with the balance due in October 2023. Interest remains chargeable at 2.68% above base rate and accrues monthly.

18. Deferred taxation

Group

| | 2022 £000 | 2021 £000 |
|--------------------------------|--------------------------------|--------------------------------|
| At beginning of year | 1,172 | 682 |
| Charged to profit or loss | 377 | 490 |
| At end of year | <u>1,549</u> | <u>1,172</u> |
| | | 2021 |
| At beginning of year | | 1 |
| Charged to profit or loss | | (1) |
| At end of year | | <u>-</u> |
| | Group 2022 £000 | Group 2021 £000 |
| Accelerated capital allowances | 1,258 | 873 |
| Short term timing differences | (17) | 19 |
| Capital gains | 308 | 280 |
| | <u>1,549</u> | <u>1,172</u> |

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

19. Share capital

| | 2022 £000 | 2021 £000 |
|------------------------------------|--------------|--------------|
| Allotted, called up and fully paid | | |
| 10,530 Ordinary shares of £1 each | 11 | 11 |

20. Contingent liabilities

The group has provided the bank with a guarantee in respect of bonds relating to HM Revenue & Customs of £280,000 (2021: £280,000).

The company is part of an unlimited cross company guarantee to secure the aggregate bank borrowings of the group totalling £12,834,000 (2021: £13,638,000) against the assets of the group.

21. Pension commitments

The group operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the group to the scheme and amounted to £612,000 (2021: £504,000). There were contributions outstanding to the scheme at year end of £64,000 (2021: £39,000).

22. Commitments under operating leases

At 30 September 2022 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2022 £000 | Group 2021 £000 |
|--|-----------------------|-----------------------|
| Not later than 1 year | 67 | - |
| Later than 1 year and not later than 5 years | 70 | - |
| | 137 | - |

23. Non-controlling interest

The non-controlling interest arising in Global Brands Limited entitles minority shareholders to a share of the net assets on liquidation or sale once a base value is reached. At 30 September 2022 the net assets of Global Brands Limited exceeded this base value and thus a non-controlling interest has been recognised on the excess.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

24. Related party transactions

Company

Loan accounts to fellow group companies at year end totaled £2,774,000 (2021: £1,987,000). Interest of £64,000 (2021: £52,000) has been charged during the year.

Loan accounts from fellow group companies at year end totaled £10,609,000 (2021: £10,336,000). Interest of £273,000 (2021: £186,000) has been charged during the year.

Group

Sales were made to entities under control of an immediate family member of a director of £Nil (2021: £Nil). At the year end, balance due from companies under common control of an immediate close family member were £5,000 (2021: £7,000).

Purchases were made from entities under control of an immediate family member of £25,000 (2021: £27,000).

Sales were made to entities under common control of a director of £587,000 (2021: £397,000). At the year end balance due from entities under common control of a director were £4,000 (2021: £68,000). Interest of £Nil (2021: £3,000) has been charged during the year.

Purchases were made from entities under common control of a director of £417,000 (2021: £417,000). At the year end balance due from entities under common control of a director were £929,000 (2021: £929,000). Interest of £34,000 (2021: £34,000) has been charged during the year.

Transactions with Directors

Key management personnel are the Directors of the group who are responsible for planning the activities of the group. Refer to note 8 for their remuneration.

Directors loan accounts at the year end of £1,178,000 (2021: £1,152,000) are due to a director. During the year interest of £26,000 (2021: £25,000) was incurred on amounts due.

Directors loan accounts at the year end of £135,000 (2021: £146,000) are due from a director. During the year interest of £5,300 (2021: £1,800) was incurred on amounts due.

Interest is received at 2% and paid at 2%.

The company has taken advantage of the exemption in FRS 102 Section 33 and has therefore not disclosed transactions or balances with entities which form part of the group.

25. Controlling party

Global Brands (GBL) Holdings Limited is controlled by SJ Garcia Perez.