

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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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 Chartered Accountants & 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	Blakesley Rice MacDonald Gray Court Chesterfield Derbyshire S40 1LD

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

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GLOBAL BRANDS (GBL) HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

The principal activity of the company is the wholesale of alcoholic and non-alcoholic drinks. Our portfolio includes brands such as VK, Franklins, Kick, Amigos, Jungfrau, Hooch and Hooper's. The business is Sales and Marketing led which focuses its attention on building brands. Global Brands had experienced significant growth over the first half of the financial year until the Pandemic struck. The second half of the year we managed to controlled our cost base using the government supported furlough scheme, despite this we still unfortunately had to make some redundancies. Our sales in the Off Trade were very good during spring and early summer which kept the business profitable.

Casa Hotel

The hotel is now entering its eleventh year of trading and we continue to deliver the high level of customer service that our clientele have become accustomed to. We took the decision to keep CASA open during the Covid 19 lock down period for key workers and front line NHS staff. We offered free accommodation and food and drink, we ran the business on minimal staff and also opened up a farm shop at the hotel and also provided a take away meal service to generate extra income. This put us in a good position to open up again in July and occupancy levels have continued to increase and all costs are now fully covered.

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

The Peak Edge Hotel has 26 bedrooms and is situated on the edge of Derbyshire's Peak District National Park. We took the decision to close the hotel during the Covid 19 lock down period, but we did continue with the construction of the extension to the restaurant. Since opening up in July the hotel has gone from strength to strength occupancy levels in the 90's and a packed restaurant.

Bradbury Hall Developments

The business mainly owns a property development to the south west of Chesterfield with 97 apartments in four blocks, all the apartments are for sale with just under half sold to date.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

Principal risks and uncertainties

We have a road map to return the business to some sort of normality that follows the governments timetable. It is vital that we control our increasing cost base over the next few months while our on trade and specifically late night leisure business returns

Last year's Budget announcement regarding ceasing the practice know as PDPD from April 2020 (a practice that has been legal in the UK since the 1950's) has impacted some products in our portfolio. We have seen little effect in the Off Trade however we are yet to see the full impact in the On Trade. We keep close to the governments initiatives around single use plastics and a potential returnable system to ensure we can be compliant with any changes with minimal effect on the business.

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: 27.2% (2019: 29.8%)

Operating profit %, defined as operating profit / turnover: 6.6% (2019: 6.0%)

Current asset days, defined as net current assets / turnover x 365: 55 (2019: 50)

The directors are satisfied with the progress in what has been a very difficult year.

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.

Coronavirus

The group continued to trade throughout the lockdown period caused by the coronavirus pandemic post year end, albeit at reduced activity levels since October 2020. Our cost base is low due to the amount of employees furloughed and limited expenditure, meaning we have managed to keep ourselves profitable. Management forecasts for the year ended 30 September 2021 assume a gradual build-up of our Global Brands Limited on-trade volume from 25% in May 21 to 75% by September 2021. We do not anticipate the late-night leisure sector returning until later this calendar year and this will be with many restrictions.

Within CASA Hotel Limited most of the employees remain on furlough as the business is ran on skeleton staff which allows the hotel to open for frontline and key workers. This generates a small loss each month which is considered sustainable until the hotel can fully reopen, which according to the government is expected during June 2021.

Peak Edge Hotel Limited closed during November 2020 and remains closed to minimise losses. All weddings have been moved to 2021.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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 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.

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

DocuSigned by:

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SJ Garcia Perez
Director

Date: 07 April 2021

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their report and the financial statements for the year ended 30 September 2020.

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 £3,005,000 (2019:£2,480,000).

During the year dividends of £165,000 (2019: £258,000) 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.

Coronavirus

At the date of signing these financial statements the country is in the midst of a global pandemic. The directors have considered the effect of the Coronavirus pandemic on the group with the information available to it and do not believe that it will affect their ability to continue as a going concern for the foreseeable future. As with most businesses there are short term practical difficulties which the directors are managing closely. See note 1.3 for further details.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020****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)

The Group's energy consumption used to calculate emissions (kWh)	5,517,464
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Energy consumption breakdown (kWh):

Gas	1,582,463
Electricity	2,020,438
Transport fuel	1,914,563

Scope 1 emissions in metric tonnes CO₂e

Gas consumption	306.05
Owed transport	422.09
Total scope	728.13

Scope 2 emissions in metric tonnes CO₂e

Electricity	471.04
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Scope 3 emissions in metric tonnes CO₂e

Business travel in employee owned vehicles	62.74
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Total gross emissions in metric tonnes CO ₂ e	1,261.91
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Intensity ration Tonnes CO ₂ e per employee	3.25
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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 employee, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have increased video conferencing technology for staff meetings, to reduce the need for travel.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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: 07 April 2021

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, 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 2020, which comprise the group profit and loss account, the group and company balance sheets, the group statement of cash flows 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other 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.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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.

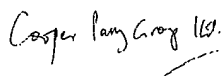
Auditor's responsibilities for the audit of the financial statements

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

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

Chartered Accountants
Statutory Auditor

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

Date: 9 April 2021

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £000	2019 £000
Turnover	1.4,3	64,724	61,517
Cost of sales		(47,116)	(43,203)
Gross profit		17,608	18,314
Distribution costs		(2,295)	(2,006)
Administrative expenses		(13,426)	(13,434)
Other operating income	4	2,402	814
Operating profit	5	4,289	3,688
Interest payable and expenses	9	(400)	(496)
Profit on ordinary activities before taxation		3,889	3,192
Taxation on ordinary activities	10	(884)	(712)
Profit for the financial year		3,005	2,480

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated profit and loss account.


The notes on pages 17 to 37 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED
REGISTERED NUMBER: 08082265

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	11	2,350	2,953
Tangible assets	12	17,572	15,728
		<u>19,922</u>	<u>18,681</u>
Current assets			
Stocks	14	19,072	17,438
Debtors: amounts falling due within one year	15	14,254	16,084
Cash at bank and in hand		409	345
		<u>33,735</u>	<u>33,867</u>
Creditors: amounts falling due within one year	16	<u>(23,772)</u>	<u>(25,444)</u>
Net current assets		<u>9,963</u>	<u>8,423</u>
Total assets less current liabilities		<u>29,885</u>	<u>27,104</u>
Creditors: amounts falling due after more than one year	17	(11,120)	(11,347)
Provisions for liabilities			
Deferred tax		(682)	(514)
Net assets		<u><u>18,083</u></u>	<u><u>15,243</u></u>
Capital and reserves			
Called up share capital	19	11	11
Profit and loss account		18,072	15,232
Shareholders' funds		<u><u>18,083</u></u>	<u><u>15,243</u></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: 07 April 2021

The notes on pages 15 to 34 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED
REGISTERED NUMBER: 08082265

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2020

		2020	2019
		£000	£000
Fixed assets			
Investments	13	262	262
Current assets			
Debtors: amounts falling due within one year	15	10,151	9,917
Creditors: amounts falling due within one year	16	(2,161)	(1,806)
Net current assets		<u>7,990</u>	<u>8,111</u>
Total assets less current liabilities		<u>8,252</u>	<u>8,373</u>
Creditors: amounts falling due after more than one year	17	(8,075)	(8,194)
Net assets		<u><u>177</u></u>	<u><u>179</u></u>
Capital and reserves			
Called up share capital	19	11	11
Profit and loss account		166	168
Shareholders' funds		<u><u>177</u></u>	<u><u>179</u></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: 07 April 2021

The notes on pages 15 to 34 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital	Profit and loss account	Non- controlling interests	Total equity
	£000	£000	£000	£000
At 1 October 2019	11	15,232	-	15,243
Profit for the year	-	3,005	-	3,005
Transfer of value	-	(165)	165	-
Dividends paid	-	-	(165)	(165)
At 30 September 2020	11	18,072	-	18,083

The notes on pages 17 to 37 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Profit and loss account	Non- controlling interests	Total equity
	£000	£000	£000	£000
At 1 October 2018	11	13,010	-	13,021
Profit for the year	-	2,480	-	2,480
Transfer of value	-	(258)	258	-
Dividends paid	-	-	(258)	(258)
At 30 September 2019	11	15,232	-	15,243

The notes on pages 17 to 37 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2019	11	168	179
Loss for the year	-	(2)	(2)
At 30 September 2020	11	166	177

The notes on pages 17 to 37 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2018	11	207	218
Loss for the year	-	(39)	(39)
At 30 September 2019	11	168	179

The notes on pages 17 to 37 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Profit for the financial year	3,005	2,480
Adjustments for:		
Amortisation of intangible assets	398	406
Depreciation of tangible assets	1,178	1,037
Loss on disposal of tangible assets	21	(59)
Interest paid	426	496
Interest received	(26)	-
Taxation charge	884	712
Increase in stocks	(1,633)	(2,926)
Decrease/(increase) in debtors	1,830	(2,461)
(Decrease)/increase in creditors	(1,342)	2,850
Corporation tax paid	(459)	(585)
Net cash generated from operating activities	4,282	1,950
Cash flows from investing activities		
Purchase of intangible fixed assets	(10)	(12)
Purchase of tangible fixed assets	(3,407)	(1,810)
Sale of tangible fixed assets	285	60
Interest received	26	-
Fixed asset investment adjustment	215	-
Net cash used in investing activities	(2,891)	(1,762)
Cash flows from financing activities		
New secured loans	-	1,000
Repayment of loans	(437)	(383)
Dividends paid	(165)	(258)
Interest paid	(426)	(496)
Net cash used in financing activities	(1,028)	(137)
Net increase in cash and cash equivalents	363	51
Cash and cash equivalents at beginning of year	(3,099)	(3,151)
Cash and cash equivalents at the end of year	(2,736)	(3,100)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	409	346
Bank overdrafts	(3,145)	(3,446)
	(2,736)	(3,100)

The notes on pages 17 to 37 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	At 1 October 2019 £000	Cash flows £000	At 30 September 2020 £000
Cash at bank and in hand	346	63	409
Bank overdrafts	(3,446)	301	(3,145)
Debt due within 1 year	(3,176)	218	(2,958)
Debt due after 1 year	(10,993)	219	(10,774)
	<u>(17,269)</u>	<u>801</u>	<u>(16,468)</u>

The notes on pages 17 to 37 form part of these financial statements.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020 (2019: year ended 30 September 2019).

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 £2,000 (2019: £39,000).

1.3 Coronavirus and going concern

At the balance sheet date the group was operating comfortably inside its overdraft facility and had net current assets of £9,885,000. At the time of signing these accounts, the directors have considered the effect of the Coronavirus pandemic on the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these accounts.

Although some companies in the group have made losses over the lockdown period in the UK, the main trading subsidiary Global Brands Limited, has continued to trade profitably and has exceeded expectations throughout the period of lockdown caused by the Coronavirus, achieving record sales and profits. The group has made use of the UK Government support available to businesses during this difficult time under the Coronavirus Job Retention Scheme and deferring VAT and duty payments. The group has also agreed an additional facility with its bank but so far has not had to draw down on this, nor do they forecast they will need to in the next 12 months.

The directors have produced forecasts for the Global Brands (GBL) Holdings Limited group of companies for the period to March 2022. 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 2020

1. Accounting policies (continued)

1.4 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.

1.5 Government grants

Grants relating to expenditure on tangible fixed assets are accounted for under the accruals model as permitted by FRS 102. Grants received are credited to the 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. Government grants received in the year relate to the receipt of Coronavirus Job Retention Scheme and Eat Out to Help Out Scheme income which is included within the profit and loss account.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**1. Accounting policies (continued)****1.6 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

1.7 Tangible fixed assets

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

Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

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

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 profit or loss.

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 2020

1. Accounting policies (continued)

1.8 Research and development

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

1.9 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.

1.10 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.

1.11 Cash and cash equivalents

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

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

1.12 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.

1.13 Operating leases

Rentals paid under operating leases are charged to profit or loss 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 2020

1. Accounting policies (continued)

1.14 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.

1.15 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.

1.16 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.

1.17 Dividends

Equity dividends are recognised when they become legally payable.

1.18 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.

1.19 Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Legal advice is sought where appropriate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. Accounting policies (continued)

1.20 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.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020

2. Judgements in applying accounting policies (continued)

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and director's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Leasing

The directors determine whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Goodwill and amortisation

The directors made an estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

The directors assess the impairment of goodwill subject to amortisation, whenever events or changes incircumstances indicate the carrying value may not be recoverable. Factors considered that could trigger an impairment review include the following:

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

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**3. Turnover**

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

	2020 £000	2019 £000
Wholesale of alcohol and non-alcoholic drinks	59,780	54,717
Operation of hotel, restaurant and conference facilities	4,746	6,800
Property held as stock	198	-
	<u>64,724</u>	<u>61,517</u>

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	61,675	58,883
Rest of Europe	2,224	1,979
Rest of the world	825	655
	<u>64,724</u>	<u>61,517</u>

4. Other operating income

	2020 £000	2019 £000
Rental income	691	805
Government grants receivable	1,711	9
	<u>2,402</u>	<u>814</u>

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

Government grants relate to income received under the Coronavirus Job Retention Scheme and the Eat Out to Help Out Scheme.

5. Operating profit

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

	2020 £000	2019 £000
Depreciation of tangible assets	1,178	1,037
Amortisation of intangible assets, including goodwill	398	406
Difference on foreign exchange	14	10
Operating lease rentals	33	184
Loss/(Profit) on disposal of tangible assets	25	(60)
	<u></u>	<u></u>

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

6. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the group's auditor and its subsidiaries for the audit of the group's annual financial statements	44	42
Fees payable to the group's auditor and its subsidiaries in respect of:		
Taxation compliance services	15	12
General taxation advice	3	2
	<u> </u>	<u> </u>

7. Staff costs

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

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Wages and salaries	8,243	7,566	-	-
Social security costs	768	734	-	-
Pension costs	530	555	-	-
	<u>9,541</u>	<u>8,855</u>	<u>-</u>	<u>-</u>

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

	2020 No.	2019 No.
Directors	4	4
Sales	118	110
Administration	41	49
Distribution	113	99
Operations	112	99
	<u>388</u>	<u>361</u>

Global Brands (GBL) Holdings Limited has no employees other than its directors who were remunerated by other group companies.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

8. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	267	237
Pension costs	34	35
	<u>301</u>	<u>272</u>

During the year retirement benefits were accruing to 3 directors (2019: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £144,000 (2019: £142,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,000 (2019: £16,000).

9. Interest payable

	2020 £000	2019 £000
Bank interest payable	268	364
Other loan interest payable	99	108
Other interest payable	33	24
	<u>400</u>	<u>496</u>

10. Taxation

	2020 £000	2019 £000
Corporation taxation		
Current taxation on profits for the year	789	627
Adjustments in respect of previous periods	(74)	16
Total current tax	<u>715</u>	<u>643</u>
Deferred taxation		
Origination and reversal of timing differences	85	68
Adjustments in respect of prior periods	21	1
Effect of tax rate change on opening balance	63	-
Taxation on profit on ordinary activities	<u>884</u>	<u>712</u>

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. Taxation (continued)

Factors affecting tax charge for the year

The taxation assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.0% (2019: 19.0%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	3,889	3,192
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	739	606
Effects of:		
Fixed asset differences	59	52
Expenses not deductible for tax purposes	84	94
Capital losses	(8)	-
Adjustments to tax charge in respect of prior periods	(74)	12
Adjustments to tax charge in respect of prior periods (deferred tax)	21	1
Additional deduction for research and development expenditure	-	(47)
Deferred tax not recognised	24	(6)
Remeasurement of deferred tax for changes in tax rates	39	-
Total tax charge for the year	884	712

Factors that may affect future tax charges

A change in the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 remains at 19%. Deferred tax balances which are stated above have been adjusted accordingly and are calculated on the basis that they will unwind at 19%.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. Intangible assets

Group

	Patents £000	Trademarks £000	Goodwill £000	Total £000
Cost				
At 1 October 2019	556	388	3,625	4,569
Additions	-	10	-	10
Adjustment to cost	-	-	(215)	(215)
At 30 September 2020	556	398	3,410	4,364
Amortisation				
At 1 October 2019	533	359	724	1,616
Charge for the year	22	14	362	398
At 30 September 2020	555	373	1,086	2,014
Net book value				
At 30 September 2020	1	25	2,324	2,350
At 30 September 2019	23	29	2,901	2,953

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. Tangible fixed assets

Group

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost						
At 1 October 2019	16,644	4,530	2,002	4,478	-	27,654
Additions	2,477	185	174	382	114	3,332
Disposals	-	(294)	(396)	-	-	(690)
At 30 September 2020	19,121	4,421	1,780	4,860	114	30,296
Depreciation						
At 1 October 2019	2,763	3,593	1,501	4,069	-	11,926
Charge for the year	485	180	205	308	-	1,178
Disposals	-	(146)	(234)	-	-	(380)
At 30 September 2020	3,248	3,627	1,472	4,377	-	12,724
Net book value						
At 30 September 2020	15,873	794	308	483	114	17,572
At 30 September 2019	13,881	937	501	409	-	15,728

Included in freehold property is freehold land at valuation of £1,200,000 (2019: £1,200,000) which is not depreciated.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

13. Fixed asset investments

Company

Investments
in
subsidiary
companies
£000

Cost

At 1 October 2019 and 30 September 2020

262

Net book value

At 30 September 2020

262

At 30 September 2019

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%

Indirect subsidiary undertakings

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%

All other subsidiaries have the same registered office as Global Brands (GBL) Holdings Limited, as shown on the company information page.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. Stocks

	Group 2020 £000	Group 2019 £000
Raw materials and consumables	1,785	864
Work in progress	7,078	7,286
Finished goods and goods for resale	10,209	9,288
	<u>19,072</u>	<u>17,438</u>

Stock recognised in cost of sales during the year as an expense was £41,240,000 (2019: £36,564,000).

An impairment loss of £84,000 (2019: gain of £35,000) 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 2020

15. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	11,352	14,922	-	-
Amounts owed by group undertakings	-	-	10,150	9,915
Other debtors	2,456	241	-	-
Prepayments and accrued income	446	921	-	-
Deferred taxation	-	-	1	2
	<u>14,254</u>	<u>16,084</u>	<u>10,151</u>	<u>9,917</u>

An impairment loss of £15,000 (2019: £20,000) was recognised in administrative expenses against trade debtors during the year.

16. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank overdrafts	3,145	3,446	-	-
Bank loans	2,958	3,176	356	475
Trade creditors	5,097	5,390	-	-
Amounts owed to group undertakings	-	-	1,772	1,282
Corporation tax	698	442	-	-
Other taxation and social security	401	1,229	-	-
Other creditors	3,241	3,522	-	-
Accruals and deferred income	8,232	8,239	33	49
	<u>23,772</u>	<u>25,444</u>	<u>2,161</u>	<u>1,806</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 2020

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

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans	10,774	10,993	8,075	8,194
Government grants received	346	354	-	-
	<u>11,120</u>	<u>11,347</u>	<u>8,075</u>	<u>8,194</u>

The bank loans are secured on the property held by the group and interest is charged at 2.2% over base rate. Bank loans are underwritten by a director, SJ Garcia Perez.

Included within the above is a bank loan of £8,431,000 (2019: £8,669,000) which is repayable in equal quarterly instalments of £118,750. The directors have taken advantage of capital repayment holidays on the bank loan from April 2020 for a period of 12 months.

Included within the above is a bank loan of £2,899,000 (2019: £2,999,000) which is repayable in 11 equal quarterly instalments of £50,000, with the balance being repaid in a lump sum on 30 September 2022. During the year the company took advantage of a 6 month payment holiday.

Included within the above is a bank loan of £2,402,000 (2019: £2,501,000) which is repayable in equal monthly instalments of £10,379 over a 3 year period with the balance due in October 2020. The directors have taken advantage of capital repayment holidays on the bank loan from April 2020 for a period of 12 months. Post year end in October 2020 the company refinanced their bank loan which is now repayable in equal monthly instalments of £10,697 over a 3 year period with the balance due in October 2023. Interest remains chargeable at 2.68% above base rate and accrues monthly.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. Deferred taxation

Group

	2020 £000	2019 £000
At 1 October 2019	(514)	(446)
Charge to profit and loss account	(168)	(68)
At 30 September 2020	(682)	(514)

Company

	2020 £000	2019 £000
At 1 October 2019	2	3
Charge to the profit and loss account	(1)	(1)
At 30 September 2020	1	2

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Accelerated capital allowances	450	292	-	-
Tax losses carried forward	-	-	(1)	(2)
Short term timing differences	(8)	(1)	-	-
Capital gains	223	221	-	-
	681	514	(1)	(2)

19. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
10,520 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 (2019: £280,000).

The company is part of an unlimited cross company guarantee to secure the aggregate bank borrowings of the group totalling £16,877,000 (2019: £17,615,000) against the assets of the group.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**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 £530,000 (2019: £555,000). There were contributions outstanding to the scheme at year end of £38,000 (2019: £42,000).

22. Commitments under operating leases

At 30 September 2020 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £000	Group 2019 £000
Not later than 1 year	28	33
Later than 1 year and not later than 5 years	-	29
	<u>28</u>	<u>62</u>

23. Non-controlling interest

The non-controlling interest arising in Global Brands Limited entitles minority shareholders to a share of proceeds upon disposal once a base value is reached. At 30 September 2020 the base value has not been achieved and thus no non-controlling interest has been recognised.

GLOBAL BRANDS (GBL) HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020****24. Related party transactions****Company**

Loan accounts to fellow group companies at year end totaled £1,772,000 (2019: £1,282,000). Interest of £51,000 (2019: £37,000) has been charged during the year.

Loan accounts from fellow group companies at year end totaled £10,150,000 (2019: £9,915,000). Interest of £236,000 (2019: £240,000) has been charged during the year.

Group

Sales were made to entities under control of an immediate family member of a director of £1,000 (2019: £4,000). At the year end, balance due from companies under common control of an immediate close family member were £7,000 (2019: £8,000).

Purchases were made to entities under control of an immediate family member of a director of £521,000 (2019: £141,000).

Sales were made to entities under common control of a director of £355,000 (2019: £466,000). At the year end balance due from entities under common control of a director were £101,000 (2019: £107,000). Interest of £3,000 (2018: £Nil) has been charged during the year.

Purchases were made from entities under common control of a director of £115,000 (2019: £1,004,000). At the year end balance due from entities under common control of a director were £1,795,216 (2019: £1,585,000). Interest of £33,000 (2019: £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.

During the year, the group advanced amounts of £2,376,000 (2019: £836,000) and amounts of £4,000 (2019: £1,668,000) were repaid to Directors.

Directors loan accounts at the year end of £1,126,000 (2019: £1,744,000) are due to a director. During the year interest of £24,000 (2019: £26,000) was incurred on amounts due.

Directors loan accounts at the year end of £1,733,000 (2019: £Nil) are due from a director. During the year interest of £2,000 (2019: £Nil) 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.