

## **Caledonian Bottlers Plc**

### **Report and Financial Statements**

For the period from 1 January 2022 to 30 December 2022

---

**Directors**

E Birchall  
A Richmond

**Secretary**

A Richmond

**Auditors**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast BT2 7DT

**Bankers**

Danske Bank  
Donegall Square West  
Belfast BT1 6SJ

**Solicitors**

Carson McDowell  
Murray House  
4 Murray Street  
Belfast BT1 6DN

**Registered Office**

4th Floor  
115 George Street  
Edinburgh EH2 4JN

## Strategic report

The directors present their strategic report for the period from 1 January 2022 to 30 December 2022.

### Principal activity and review of the business

The company's principal activity is contract bottling of beverages.

During the year a review of infrastructure highlighted the significant level of investment required to keep the Caledonian Bottlers site fully operational. An organisational change consultation was subsequently undertaken of which the focus was to explore options to deliver long-term supply chain security. In October 2022 the Directors announced the difficult decision to relocate operations to a third-party provider. Production at the Caledonian Bottlers site stopped in December 2022.

### Key performance indicators

The key performance indicator for the company is the gross margin. The gross margin for the period was 38.96% (period ended 31 December 2021– 21.67%).

	<i>Period ended 30 December 2022</i>	<i>Period ended 31 December 2021</i>
	<i>£</i>	<i>£</i>
Turnover	4,613,784	3,493,189
Profit after tax	627,127	203,894
Shareholder funds	3,991,611	4,114,484
Average employees during the period (No.)	42	47
Current assets vs current liabilities (quick ratio)	3.52	5.19

### Principal risks and uncertainties

#### Financial risk management objectives and policies

The company uses various instruments including cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are liquidity risk, currency risk, credit risk, and price and market risk. The company has also considered Brexit, the war in Ukraine and supply chain disruption in their risk management assessment.

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

#### Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to this risk, the company principally uses group level foreign currency contracts with financial institutions in order to hedge against adverse movements in exchange rates.

## Strategic report

### Principal risks and uncertainties (continued)

#### Credit risk

The company's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors.

In order to manage credit risk, the directors assess potential customers based on a mixture of past history, credit references, and industry knowledge, and amounts owed are reviewed and followed up on a regular basis.

#### Price and market risk

As the company does not normally make investments, price risk is considered inconsequential.

#### Brexit

By undertaking detailed and extensive planning, the company was able to successfully face the challenges presented by Brexit. The UK Brexit transition period ended on 31 December 2020 and we have continued to manage effectively the varied impacts on all our supply chains. The company has experienced ongoing additional administrative effort and costs to ensure compliance with Customs and the NI Protocol requirements. There will be further planning and consideration in the year to come as we work with Suppliers, Customers and authorities to manage the transition from NI Protocol to the new Windsor Framework.

#### Ukraine War

On 24<sup>th</sup> February 2022, Russia invaded Ukraine. The situation between Russia and Ukraine is continually evolving. The risks and uncertainties are managed through daily monitoring of stock levels and supply. The company does not have any relationships with sanctioned individuals or legal entities.

### Supply chain effectiveness

The company is dependent on the quality of service from a range of providers for the supply of raw materials to our manufacturing sites. Any interruption to this supply could lead to delays in production for our customers. Furthermore, the Group could be at risk from unethical behaviour by our suppliers which could impact our products and brands. The company has robust traceability and testing systems in place and works closely with suppliers to ensure adherence to the company's standards and policies.

Approved by the Board and signed on its behalf by:



A Richmond  
Secretary  
Date: 9 June 2023

Registered No. SC146015

## Directors' report

The directors present their report for the period from 1 January 2022 to 30 December 2022.

### Results and dividends

The profit for the period after taxation amounted to £627,127 (period ended 31 December 2021 – profit of £203,894). Dividends paid on equity amounted to £750,000 (period ended 31 December 2021 – £500,000).

### Future developments

The directors are committed to the long-term creation of shareholder value. Following a consultation process during the period ended 30 December 2022, the Directors announced the closure of the Caledonian Bottlers factory in October 2022. The company has presented and classified its tangible assets in the financial statements as held for sale.

### Directors

The directors who served the company during the period were as follows:

E Birchall  
A Richmond

### Going concern

The directors, in taking account of the company's financial forecasts and projections for the period to 31 December 2024, have considered future operations in conjunction with trading conditions and planned disposal of assets and conclude that the company continues to be cash generative and is able to continue to meet its current liabilities arising as they fall due. The directors therefore believe the company has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have a reasonable expectation that the trading assets will be sold in an orderly basis over the next 12 months.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take, as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



A Richmond  
Director  
Date: 9 June 2023

## Directors' Responsibilities Statement

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **Independent auditors' report**

**to the members of Caledonian Bottlers Plc**

## **Opinion**

We have audited the financial statements of Caledonian Bottlers Plc for the period ended 30 December 2022 which comprise Profit and Loss Account, the Statement of comprehensive income, the Statement of changes in equity, the Balance Sheet, and the related notes 1 to 15, 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 FRS 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 company's affairs as at 30 December 2022 and of its profit for the period 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 company's ability to continue as a going concern for a period to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Other information**

The other information comprises the information included in the annual report set out in pages 2 to 5, 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent auditors' report

to the members of Caledonian Bottlers Plc

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

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

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor'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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.



# Independent auditors' report

to the members of Caledonian Bottlers Plc

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, the reporting framework FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Bribery Act 2010, Money Laundering Regulations and UK Tax Legislation.
- We understood how Caledonian Bottlers Plc is complying with those frameworks by making enquiries of senior management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through review of the following documentation or performance of the following procedures;
  - obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls;
  - reviewing of board meeting minutes in the year and to date of signing;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussion within the audit team which included;
  - Identification of related parties, including circumstances related to the existence of a related party with dominant influence;
  - understanding the company's business and entity-level controls and considering the influence of the control environment; and
  - considering the nature of the account and our assessment of inherent risk for relevant assertions of significant accounts.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

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

# **Independent auditors' report**

**to the members of Caledonian Bottlers Plc**

## **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.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', is positioned above the printed name of the auditor.

Michael Kidd (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast  
Date: 13 June 2023

## Profit and loss account

for the period from 1 January 2022 to 30 December 2022

		<i>Period ended 30 December 2022</i>	<i>Period ended 31 December 2021</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Turnover</b>	2	4,613,784	3,493,189
Cost of sales		<u>(2,816,147)</u>	<u>(2,736,094)</u>
<b>Gross profit</b>		1,797,637	757,095
Administrative expenses		(475,582)	(553,304)
Exceptional item	3	(590,934)	–
Other operating income	4	<u>66,918</u>	<u>62,967</u>
<b>Profit before taxation</b>		798,039	266,758
Tax charge	7	<u>(170,912)</u>	<u>(62,864)</u>
<b>Profit for the financial period</b>		<u>627,127</u>	<u>203,894</u>

All amounts relate to continuing activities.

## Statement of comprehensive income

for the period from 1 January 2022 to 30 December 2022

There is no recognised income or loss other than the profit attributable to the shareholders of the company of £627,127 for the period ended 30 December 2022 (period ended 31 December 2021 – profit of £203,894).

## Statement of changes in equity

for the period from 1 January 2022 to 30 December 2022

	<i>Called up share capital</i> £	<i>Share premium account</i> £	<i>Capital redemption reserve</i> £	<i>Profit and loss account</i> £	<i>Total equity</i> £
At 1 January 2021	86,667	43,333	5,000	4,275,590	4,410,590
Profit for the period	–	–	–	203,894	203,894
Dividends paid	–	–	–	(500,000)	(500,000)
At 31 December 2021	86,667	43,333	5,000	3,979,484	4,114,484
Profit for the period	–	–	–	627,127	627,127
Dividends paid	–	–	–	(750,000)	(750,000)
At 30 December 2022	86,667	43,333	5,000	3,856,611	3,991,611

### *Called up share capital*

Share capital represents the nominal value of shares that have been issued.

### *Share premium account*

Share premium represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

### *Capital redemption reserve*

The capital redemption reserve records the nominal value of shares repurchased by the company.

### *Profit and loss account*

Profit and loss account include all current period and prior period retained profits and losses.

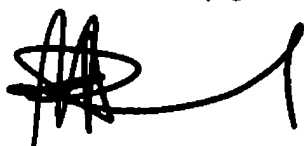
Registered No. SC146015

**Balance sheet**

at 30 December 2022

		30 December 2022	31 December 2021
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	8	-	1,059,086
<b>Current assets</b>			
Properties for sale assets	8	888,873	-
Stocks	9	9,307	85,706
Debtors	10	3,830,526	2,258,124
Cash at bank and in hand		851,925	1,440,268
Total current assets		5,580,631	3,784,098
<b>Creditors: amounts falling due within one year</b>	11	(1,589,020)	(728,700)
<b>Net current assets</b>		3,991,611	3,055,398
<b>Net assets</b>		3,991,611	4,114,484
<b>Capital and reserves</b>			
Called up share capital	12	86,667	86,667
Share premium account		43,333	43,333
Capital redemption reserve		5,000	5,000
Profit and loss account		3,856,611	3,979,484
<b>Shareholders' funds</b>		3,991,611	4,114,484

The notes on pages 13 - 20 form part of these financial statements.


A Richmond  
Director

Date: 9 June 2023

## Notes to the financial statements

for the period from 1 January 2022 to 30 December 2022

### 1. Accounting policies

#### *Statement of compliance*

Caledonian Bottlers PLC is a public company limited by shares and incorporated in Scotland. The Registered Office is 4<sup>th</sup> Floor, 115 George Street, Edinburgh EH2 4JN.

The company's financial statements have been prepared in compliance with FRS 102 as it applies for the period ended 30 December 2022.

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the company and no rounding has been applied.

#### *Reduced disclosure framework*

The company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of section 4 *Statement of Financial Position* paragraph 4.12(a)(iv).
- (b) The requirements of section 7 *Statement of Cash Flows* and section 3 *Financial Statement Presentation* paragraph 3.17(d).
- (c) The requirements of section 11 *Basic Financial Instruments* paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and section 12 paragraphs 12.26
- (d) Section 33 *Related Party Disclosures* paragraph 33.7.

The company's ultimate parent undertaking and controlling party is SHS Group Limited, a company incorporated in Northern Ireland, which is the parent undertaking of the largest group to consolidate these financial statements. SHS Group Limited financial statements are available from 199 Airport Road West, Belfast, Co Antrim, Northern Ireland.

#### *Going concern*

The directors, in taking account of the company's financial forecasts and projections for the period to 31 December 2024, have considered future operations in conjunction with trading conditions and planned disposal of assets and conclude that the company continues to be cash generative and is able to continue to meet its current liabilities arising as they fall due. The directors therefore believe the company has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements. The directors have a reasonable expectation that the trading assets will be sold in an orderly basis over the next 12 months.

#### *Judgements and key sources of estimation*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant impact on amounts recognised in the financial statements.

The following are the company's key sources of judgement:

#### *Taxation*

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

## Notes to the financial statements

for the period from 1 January 2022 to 30 December 2022

### 1. Accounting policies (continued)

#### *Judgements and key sources of estimation (continued)*

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Details of the company's tax charge are contained in note 6.

#### *Turnover*

The turnover shown in the profit and loss account represents income from the contract bottling of beverages. Turnover is recognised at the point of production of finished goods. All turnover relates to sale of goods.

#### *Financial instruments*

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *(i) Financial assets*

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### *(ii) Financial liabilities*

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Trade payables are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payables are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## Notes to the financial statements

for the period from 1 January 2022 to 30 December 2022

### 1. Accounting policies (continued)

#### *Stocks*

Stocks and work in progress are valued at the lower of cost and net realisable value after allowance for obsolete and slow-moving stocks.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	–	4% straight-line
Plant and machinery	–	10% straight-line
Fixtures and fittings	–	10% straight-line
Computer equipment	–	33.3% straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Properties for Sale Assets*

Properties for sale assets are tangible fixed assets recognised as current and are expected to be realised within 12 months after the reporting period.

#### *Operating leases*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

The company has not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognise any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Pensions*

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund.

#### *Research and development*

Research expenditure is charged to the profit and loss account in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

### 2. Turnover

The whole of the turnover is attributable to the one principal activity.

All turnover arose within the United Kingdom and relates to sale of goods.



## Notes to the financial statements

for the period from 1 January 2022 to 30 December 2022

### 3. Exceptional Item

	<i>Period ended 30 December 2022</i>	<i>Period ended 31 December 2021</i>
	£	£
Factory closure costs	590,934	-
	<u>590,934</u>	<u>-</u>

### 4. Other operating income

	<i>30 December 2022</i>	<i>31 December 2021</i>
	£	£
Rents receivable	66,918	62,967
	<u>66,918</u>	<u>62,967</u>

### 5. Operating profit

This is stated after charging:

	<i>30 December 2022</i>	<i>31 December 2021</i>
	£	£
Auditors' remuneration – audit services	11,031	9,500
– tax fees	1,718	1,684
Depreciation of owned fixed assets	218,885	216,011
Operating lease rentals	<u>27,545</u>	<u>28,298</u>

During the period, no director received any remunerations (period ended 31 December 2021 – nil).

### 6. Staff costs

	<i>30 December 2022</i>	<i>31 December 2021</i>
	£	£
Wages and salaries	1,151,619	1,113,555
Social security costs	101,148	98,850
Other pension costs	49,779	46,137
	<u>1,302,546</u>	<u>1,258,542</u>

The average monthly number of employees during the period was made up as follows:

	<i>No.</i>	<i>No.</i>
Production	37	42
Administration	5	5
	<u>42</u>	<u>47</u>

## Notes to the financial statements

for the period from 1 January 2022 to 30 December 2022

### 7. Tax

#### (a) Tax on profit

The tax charge is made up as follows:

	<i>Period ended 30 December 2022</i>	<i>Period ended 31 December 2021</i>
	£	£
<b>Current tax:</b>		
UK corporation tax on profit for the period	173,518	76,077
Adjustment in respect of prior periods	(25,415)	432
Total current tax	148,103	76,509
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(2,272)	(10,368)
Adjustment in respect of prior periods	25,799	-
Effect of changes in tax rates	(718)	(3,277)
Total deferred tax (note 6(c))	22,809	(13,645)
Tax on profit (note 6(b))	170,912	62,864

#### (b) Factors affecting the total tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19% (period ended 31 December 2021– 19%). The differences are explained below:

	<i>Period ended 30 December 2022</i>	<i>Period ended 31 December 2021</i>
	£	£
Profit before tax	798,039	266,758
Profit multiplied by standard rate of corporation tax in the UK of 19% (period ended 31 December 2021 – 19%)	151,627	50,684
<b>Effects of:</b>		
Expenses not deductible for tax purposes	22,833	15,456
Non-taxable income	(3,214)	(431)
Adjustment in respect of prior periods	384	432
Effect of changes in tax rates	(718)	(3,277)
Total tax for the period (note 6(a))	170,912	62,864

## Notes to the financial statements

for the period from 1 January 2022 to 30 December 2022

### 7. Tax (continued)

(c) Deferred tax liabilities / (assets)

	£
At 31 December 2021 (note 9)	(13,653)
Adjustment in respect of prior periods	25,799
Released during the period	(2,990)
At 30 December 2022 (note 10)	<u>9,156</u>

The provision for deferred taxation is made up as follows:

	30 December 2022 £	31 December 2021 £
Accelerated capital allowances	11,337	(8,354)
Short term timing differences	(2,181)	(5,299)
	<u>9,156</u>	<u>(13,653)</u>

(d) Factors that may affect future tax charges

An increase to the main UK corporation tax rate from 19% to 25% from 1 April 2023 was announced in the March 2021 budget and was substantively enacted on 24 May 2021. Deferred tax is therefore provided at a rate of 25% in the 2022 accounts for the period ended 30 December 2022.

### 8. Tangible assets/Properties for sale assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost:</i>					
At 31 December 2021	2,156,905	5,708,141	215,940	129,435	8,210,421
Additions	-	-	48,672	-	48,672
At 30 December 2022	<u>2,156,905</u>	<u>5,708,141</u>	<u>264,612</u>	<u>129,435</u>	<u>8,259,093</u>
<i>Depreciation:</i>					
At 31 December 2021	1,635,150	5,262,576	150,515	103,094	7,151,335
Charge for the period	74,696	116,347	18,191	9,651	218,885
At 30 December 2022	<u>1,709,846</u>	<u>5,378,923</u>	<u>168,706</u>	<u>112,745</u>	<u>7,370,220</u>
<i>Net book value:</i>					
At 30 December 2022	<u>447,059</u>	<u>329,218</u>	<u>95,906</u>	<u>16,690</u>	<u>888,873</u>
At 31 December 2021	<u>521,755</u>	<u>445,565</u>	<u>65,425</u>	<u>26,341</u>	<u>1,059,086</u>

In October 2022, the company announced the closure of the Caledonian Bottlers factory. The directors have a reasonable expectation that the trading assets will be sold in an orderly basis over the next 12 months.

## Notes to the financial statements

for the period from 1 January 2022 to 30 December 2022

### 9. Stocks

	30 December 2022	31 December 2021
	£	£
Raw materials	9,307	85,706

Stocks recognised as an expense in the period is £26,979 (31 December 2021: £nil)

### 10. Debtors

	30 December 2022	31 December 2021
	£	£
Trade debtors	1,098	1,305
Amounts owed by group undertaking	3,799,240	2,183,990
Deferred tax asset	-	13,653
Prepayments and accrued income	30,188	59,176
	<u>3,830,526</u>	<u>2,258,124</u>

Amounts owed from group undertakings are interest free, unsecured and repayable on demand.

### 11. Creditors: amounts falling due within one year

	30 December 2022	31 December 2021
	£	£
Trade creditors	139,504	215,434
Amounts owed to group undertaking	426,581	58,974
Corporation tax	173,518	75,006
Other taxes and social security costs	185,256	167,191
Deferred tax liability	9,156	-
Accruals	655,005	212,095
	<u>1,589,020</u>	<u>728,700</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

### 12. Issued share capital

	30 December 2022		31 December 2021	
	No.	£	No.	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	86,667	<u>86,667</u>	86,667	<u>86,667</u>

## Notes to the financial statements

for the period from 1 January 2022 to 30 December 2022

### 13. Other financial commitments

At 30 December 2022, the company had future minimum rentals payable under non-cancellable operating leases for as set out below:

	30 December 2022	31 December 2021
	£	£
<i>Operating leases which are due:</i>		
Within one year	439	34,108
In two to five years	-	439
	<u>439</u>	<u>34,549</u>

### 14. Related party transactions

As a wholly owned subsidiary of SHS Group Limited, the company is exempt from the requirements of FRS 102 section 33 *Related Party Disclosures* paragraph 33.11 to disclose transactions with other members of the group which are party to the transaction.

### 15. Ultimate parent undertaking and controlling party

The directors consider that the immediate parent undertaking of the company is Beverage Brands (UK) Limited, a company incorporated in the United Kingdom. Beverage Brands (UK) Limited is a subsidiary of SHS Group Limited, a company incorporated in Northern Ireland.

The directors consider that the ultimate parent undertaking is SHS Group Limited. The ultimate controlling parties of SHS Group Limited are its shareholders.

The financial statements of SHS Group Limited are available for inspection at the Registrar of Companies, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast.