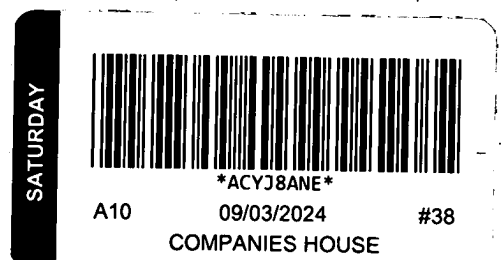


AMENDED

REGISTERED NUMBER: 03010238 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2021
for
Sun Mark Limited

Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD



Contents of the Financial Statements
for the Year Ended 31 December 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Income Statement	11
Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	15
Notes to the Financial Statements	16

Sun Mark Limited

Company Information
for the Year Ended 31 December 2021

DIRECTORS:

H S Ahuja
Vinar N.V.

SECRETARY:

N A O Qazi

REGISTERED OFFICE:

Sun House
428 Long Drive
Greenford
Middlesex
UB6 8UH

REGISTERED NUMBER:

03010238 (England and Wales)

AUDITORS:

Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

Strategic Report
for the Year Ended 31 December 2021

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

Sun Mark Limited is a consumer goods company with its own branded range of food and beverages, some of which are market leaders in various countries. The company is also a celebrated distributor of famous food brands and works closely with companies, including Nestle, Mondelez, Mars and many others.

During the year, the company's majority shareholding was acquired by an investment company with a focus on developing Sun Mark's own label range and strategic brand owners who work closely with Sun Mark Limited.

REVIEW OF BUSINESS

Despite continued impact of COVID around the world in 2021, particularly on commodities & logistics costs, the company continued its focus on own label and strategic third-party products. Revenue decreased slightly to £105m (Aug '19-Dec '20: £144m, Jan '20-Dec '20: £107m) mainly driven by supply chain disruptions and a change in product mix. Extremely high global freight rates forced management to strategically review sales to some customers to protect margin.

Late 2021 saw a change in ownership of the company and post this management decided to take a number of one-off balance sheet write offs, which has resulted in the reported EBITDA loss -£17m. Excluding these exceptional items the underlying performance of the business performed well. The change in ownership will lead to an acceleration of the company's strategy and focus on development of our own label range and exploration of local manufacturing in our core markets. Global freight rates started to decline and normalise late in 2021, however this remains a risk for 2022. Full normalisation of commodities and freight costs should enable further acceleration of business in 2022.

Nonetheless, we are confident of what our business promises in 2022 and beyond.

Key performance indicators

	2021	2020
	£m	£m
Turnover	105	144
Gross profit	10	13
EBITDA	-17	-3
EBITDA (excluding exceptional items)	2	3

Strategic Report
for the Year Ended 31 December 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks of the company are foreign exchange, credit risk and interest rate risk.

Foreign exchange fluctuations

The company makes sales and purchases in foreign currencies, primarily EUR & USD, and so is exposed to fluctuations in these currencies. To mitigate the risk the company partially hedges on a forward basis.

Credit Risk

The company strictly monitors amounts outstanding from customers and grants credit only to established customers.

Interest Rate Risk

The company ensures that it has sufficient cash to meet rising interest rates.

Strategy

The primary focus of the company is to increase sales of the company's own brand products and develop new ones in line with user tastes and requirements.

It will do this through building on existing distributor relationships and develop new ones in new markets.

SECTION 172(1) STATEMENT

The Directors have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholder and matters set out in s172 (1) (a-f) of the Companies Act 2006) for the decisions taken during the period ended 31 December 2021.

ENGAGEMENT WITH EMPLOYEES

Employees are our key asset and central to growing sales and profit. We strive to retain people for the long term and our recruitment strategy is based on offering long, sometimes lifetime careers in fairly paid and stable jobs. We invest in training and development for all our staff.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

Our business has continued to grow well and recovered strongly post COVID, with all the risks related to trading, business development and financing well managed and satisfactorily accepted by our suppliers, customers and co-operative partners.

BUSINESS RELATIONSHIPS

We value long term relationships with our customers and suppliers and many of our trading relationships are over 15 years old. The company actively engages with its customers and suppliers to understand their business needs and improve collaborative working relationships. We continue to work diligently to improve our services.

SHAREHOLDERS

Our shareholders engage fully with our strategy, objectives and performance, supported by regular board meetings.

Sun Mark Limited (Registered number: 03010238)


Strategic Report

for the Year Ended 31 December 2021

COMMUNITY, ENVIRONMENT AND REPUTATION

We believe that a positive and strong culture is the best way to ensure a high level of professional conduct when it comes to health and safety, environment, regulations or business dealings.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'H S Ahuja', written over a dotted line.

H S Ahuja - Director

Date: 07/03/24

Report of the Directors
for the Year Ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIVIDENDS

An interim dividend of £4.85 per share on the Ordinary £0.10 shares was paid on . The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary B £0.10 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 December 2021 will be £7,758,219.

FUTURE DEVELOPMENTS

Our medium term plan remains to continue to capture market share in our core markets, especially for our own brand items, and short term considerations are taken into account but the medium to long term strategy is paramount. This will help build a much more profitable business and create value for the shareholders and other stakeholders. We are confident of growth over the coming few years and a successful realisation of our strategic goals.

DIRECTORS

H S Ahuja has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

Vinar N.V. - appointed 20 October 2021

R S Ranger - resigned 20 October 2021

POLITICAL DONATIONS AND EXPENDITURE

During the period the company made the following contributions:

The Conservative Party and related organisations £12,408 (2020: £155,707).

In addition to the above, the company made £11,048 (2020: £196,505) of charitable donations.

STREAMLINED ENERGY AND CARBON REPORTING

The Company's greenhouse gas emissions and energy consumption for the year from 1 January 2021 to 31 December 2021 are;

- UK Energy Use: 286,208 kWh (2020: 385,873 kWh)
- Associated Greenhouse gas emissions due to UK energy use: 62 tCO₂e (2020: 88 tCO₂e)
- Intensity Ratio: 0.8 kgCO₂e per sq. ft (2020: 1.1 kgCO₂e carbon per sq.ft)

UK energy use covers gas, electricity and transport for the company.

ESOS methodology has been used to calculate the emissions and energy consumption information disclosed.

Report of the Directors
for the Year Ended 31 December 2021

The company has taken actions to increase energy efficiency including moving to remote home working and implementing use of video conferencing.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 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.

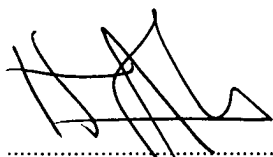
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Xeinadin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
H S Ahuja - Director

Date: 07/03/24.....

Report of the Independent Auditors to the Members of
Sun Mark Limited

Disclaimer of opinion

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

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion on financial statements

We were not appointed as auditors of the company until after 31 December 2021 and thus did not observe the counting of physical inventories at the beginning and end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2020 and 2021. Consequently we were unable to determine whether any adjustments to this amount at 31 December 2021 was necessary or whether there was any consequential effect on the cost of sales for the year ended 31 December 2022.

In addition, management have processed a significant number of adjustments which we have been unable to verify. An amount of £19.3m was written off that includes £10m of distribution costs, £7.5m of distributor fees both previously treated as assets, and a provision made against £1.8m of intercompany balances where subsidiary accounts showed inconsistent positions with the parent company. Furthermore, management have made £5.3m of prior year adjustments which included a £4m joint venture write off, £900k of goodwill write off and recognising a further corporation tax liability of £400k. We were unable to ascertain with sufficient certainty whether all the adjustments should have been processed in the current period or an earlier accounting period.

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 qualified 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 of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatement in the strategic report of the directors' report.

Arising from the limitation of our worked referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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.

Auditors' 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 a Report of the Auditors 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.

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

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include food safety and hygiene legislation, health and safety legislation and ISO 9000 standards for quality assurance and management.

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 Report of the Auditors.

Report of the Independent Auditors to the Members of
Sun Mark Limited

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 a Report of the Auditors 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.



John David Lee BA FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
8th Floor Becket House
36 Old Jewry
London
EC2R 8DD

Date: 07/03/24

Income Statement
for the Year Ended 31 December 2021

		Year Ended 31.12.21		Period 1.9.19 to 31.12.20 as restated	
	Notes	£'000	£'000	£'000	£'000
TURNOVER	3		105,401		143,970
Cost of sales			95,223		131,089
GROSS PROFIT			10,178		12,881
Distribution costs		10,278		21	
Administrative expenses		17,999		11,974	
			28,277		11,995
			(18,099)		886
Other operating income			347		342
OPERATING (LOSS)/PROFIT	5		(17,752)		1,228
Interest receivable and similar income			7		3
			(17,745)		1,231
Amounts written off investments	6		-		4,500
			(17,745)		(3,269)
Interest payable and similar expenses	7		327		442
LOSS BEFORE TAXATION			(18,072)		(3,711)
Tax on loss	8		(274)		710
LOSS FOR THE FINANCIAL YEAR			(17,798)		(4,421)

The notes form part of these financial statements

Sun Mark Limited (Registered number: 03010238)

Other Comprehensive Income
for the Year Ended 31 December 2021

		Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated £'000
	Notes	£'000	
LOSS FOR THE YEAR		(17,798)	(4,421)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			(4,421)
Prior year adjustment	Note 10	(5,366)	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		(23,164)	

The notes form part of these financial statements

Balance Sheet
31 December 2021

		31.12.21		31.12.20 as restated	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	11		424		367
Tangible assets	12		181		285
Investments	13		884		889
Investment property	14		-		1,513
			1,489		3,054
CURRENT ASSETS					
Stocks	15	6,777		5,557	
Debtors	16	36,850		58,084	
Cash at bank		4,785		2,909	
		48,412		66,550	
CREDITORS					
Amounts falling due within one year	17	42,637		36,708	
NET CURRENT ASSETS			5,775		29,842
TOTAL ASSETS LESS CURRENT LIABILITIES			7,264		32,896
PROVISIONS FOR LIABILITIES	20		29		105
NET ASSETS			7,235		32,791

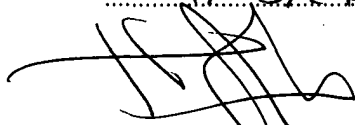
The notes form part of these financial statements

Balance Sheet - continued

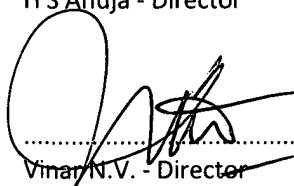
31 December 2021

		31.12.21		31.12.20 as restated	
	Notes	£'000	£'000	£'000	£'000
CAPITAL AND RESERVES					
Called up share capital	21		170		170
Revaluation reserve	22		-		326
Retained earnings	22		7,065		32,295
SHAREHOLDERS' FUNDS			<u>7,235</u>		<u>32,791</u>

The financial statements were approved by the Board of Directors and authorised for issue on 07/03/22 and were signed on its behalf by:



.....
H S Ahuja - Director



.....
Vinay N.V. - Director

BIRK YARU

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

	Called up share capital £'000	Retained earnings £'000	Revaluation reserve £'000	Total equity £'000
Balance at 1 September 2019	-	36,716	326	37,042
Changes in equity				
Issue of share capital	170	-	-	170
Total comprehensive income	-	945	-	945
Balance at 31 December 2020	170	37,661	326	38,157
Prior year adjustment	-	(5,366)	-	(5,366)
As restated	170	32,295	326	32,791
Changes in equity				
Dividends	-	(7,758)	-	(7,758)
Total comprehensive income	-	(17,472)	(326)	(17,798)
Balance at 31 December 2021	170	7,065	-	7,235

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

1. STATUTORY INFORMATION

Sun Mark Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated financial statements

The financial statements contain information about Sun Mark Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Sun Mark International Limited, 428 Long Drive, Greenford, Middlesex, UB6 8UH..

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects both current and future periods.

Critical judgements

The following judgements have had the most significant effect on the amounts recognised in the financial statements.

Useful lives of intangibles

The charge in respect of periodic amortisation is derived after determining an estimate of an asset's expected useful life. The useful lives of the group's intangible assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on an estimated future period that economic benefit is expected to be derived.

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

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue 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

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of five years.

Computer software is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Investments in subsidiaries and associates

Investments in subsidiary and associate undertakings are initially recognised at cost and subsequently measured at cost less accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses are recognised immediately in profit and loss.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

2. ACCOUNTING POLICIES - continued

Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Derivatives

Contracts to buy or sell non-financial items such as commodity, inventory, property, plant and equipment for own use are not considered to be financial instruments. Derivatives including forward foreign exchange contracts are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of forward foreign exchange contracts are recognised in the income statement in cost of sales.

The fair value of forward exchange contracts is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing forward foreign exchange contracts are the forward exchange rates relating to the relevant currency pairs and maturity dates.

The Company does not apply hedge accounting for derivatives.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

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

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated
	£'000	£'000
Africa	49,957	75,104
Middle East	22,701	27,487
United Kingdom	11,788	14,114
Rest of the world	20,955	27,265
	105,401	143,970

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

4. EMPLOYEES AND DIRECTORS

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated
	£'000	£'000
Wages and salaries	2,434	3,298
Social security costs	256	375
Other pension costs	48	72
	<u>2,738</u>	<u>3,745</u>

The average number of employees during the year was as follows:

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated
Sales & warehousing	44	50
Support, HR & finance	14	17
Senior management	3	3
Director	1	2
	<u>62</u>	<u>72</u>

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated
	£	£
Directors' remuneration	<u>142,519</u>	<u>180,400</u>

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

5. **OPERATING (LOSS)/PROFIT**

The operating loss (2020 - operating profit) is stated after charging/(crediting):

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated
	£'000	£'000
Hire of plant and machinery	17	33
Other operating leases	802	1,259
Depreciation - owned assets	137	209
Loss on disposal of fixed assets	26	106
Patents and licences amortisation	110	118
Computer software amortisation	28	-
Auditors' remuneration	58	50
Foreign exchange differences	477	(133)
	<u> </u>	<u> </u>

6. **AMOUNTS WRITTEN OFF INVESTMENTS**

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated
	£'000	£'000
Amount written off investments	-	4,500
	<u> </u>	<u> </u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated
	£'000	£'000
Bank interest	2	3
Bank loan interest	325	439
	<u> </u>	<u> </u>
	<u>327</u>	<u>442</u>

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

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated £'000
Current tax:		
UK corporation tax	(198)	712
Deferred tax	(76)	(2)
Tax on loss	<u>(274)</u>	<u>710</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated £'000
Loss before tax	<u>(18,072)</u>	<u>(3,711)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(3,434)	(705)
Effects of:		
Expenses not deductible for tax purposes	606	1,399
Depreciation in excess of capital allowances	16	18
Utilisation of tax losses	368	-
Adjustments to tax charge in respect of previous periods	(198)	-
Tax losses carried forward	2,444	-
Movement in deferred tax	(76)	(2)
Total tax (credit)/charge	<u>(274)</u>	<u>710</u>

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

9. **DIVIDENDS**

	Year Ended 31.12.21	Period 1.9.19 to 31.12.20 as restated £'000
Ordinary shares of £0.10 each		
Interim	7,758	-

10. **PRIOR YEAR ADJUSTMENT**

The financial statements include a Prior Year Adjustment of £5,366,033 as disclosed in the Statement of Changes in Equity of which the analysis is given below:

Joint Venture write off

On 26 April 2018 the company entered into a joint venture in a Nigerian based company, Ejison Beverages Limited, for the cost of £4,500,000. However, the investment is not considered recoverable and should therefore not have been recognised as an asset.

The investment was impaired by £450,000 and therefore had a carrying value of £4,050,000 as at 1 January 2021.

The accounts have been restated to incorporate the impact of the misclassification and the effect in the financial statements for the period ended 31 December 2020 is to decrease the investments by £4,050,000 and decrease closing reserves by £4,050,000.

Goodwill write off

The company recognised goodwill for the cost of £2,722,041. However, the goodwill is not considered recoverable and should therefore not have been recognised as an asset.

The goodwill was amortised by £1,814,695 and therefore had a carrying value of £907,346 as at 1 January 2021.

The accounts have been restated to incorporate the impact of the misclassification and the effect in the financial statements for the period ended 31 December 2020 is to decrease the Goodwill by £907,346 and decrease closing reserves by £907,346.

Corporation Tax reinstatement

The company removed a corporation tax liability in the financial statements for the year ended 31 August 2019. However, due to a subsequent amendment to the tax computation, the liability should have been recognised.

The financial impact of the adjustment in the financial statements for the period ended 31 December 2020 is to increase the corporation tax by £408,687 and decrease closing reserves by £408,687.

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

11. INTANGIBLE FIXED ASSETS

	Patents and licences £'000	Computer software £'000	Totals £'000
COST			
At 1 January 2021	621	-	621
Additions	109	112	221
Disposals	(72)	-	(72)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	658	112	770
	<hr/>	<hr/>	<hr/>
AMORTISATION			
At 1 January 2021	254	-	254
Amortisation for year	110	28	138
Eliminated on disposal	(46)	-	(46)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	318	28	346
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2021	340	84	424
	<hr/>	<hr/>	<hr/>
At 31 December 2020	367	-	367
	<hr/>	<hr/>	<hr/>

12. TANGIBLE FIXED ASSETS

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 January 2021	49	484	12	545
Additions	-	33	-	33
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	49	517	12	578
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2021	21	228	11	260
Charge for year	12	124	1	137
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	33	352	12	397
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2021	16	165	-	181
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	28	256	1	285
	<hr/>	<hr/>	<hr/>	<hr/>

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

13. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £'000	Listed investments £'000	Totals £'000
COST			
At 1 January 2021	839	25	864
Additions	20	-	20
	<hr/>	<hr/>	<hr/>
At 31 December 2021	859	25	884
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2021	859	25	884
	<hr/>	<hr/>	<hr/>
At 31 December 2020	839	25	864
	<hr/>	<hr/>	<hr/>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Bulldog Power Limited

Registered office: Sun House, 428 Long Drive, Greenford, UB6 8UH

Nature of business: Wholesale of beverages

	%
Class of shares:	holding
Ordinary	100.00

Sun Mark Global General Trading LLC

Registered office: PO Box 233190, Near Ai Ras Station, behind Rak Bank, Deira, Dubai UAE

Nature of business:

	%
Class of shares:	holding
Ordinary	100.00

MS Sun Mark Nigeria Limited

Registered office: 5-7 Ben Onyeka Street, 2nd Benue Bus Stop, Olodi, Apepa, Lagos State, Nigeria

Nature of business:

	%
Class of shares:	holding
Ordinary	100.00

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

14. **INVESTMENT PROPERTY**

	Total £'000
FAIR VALUE	
At 1 January 2021	1,513
Disposals	(1,513)
	<hr/>
At 31 December 2021	-
	<hr/>
NET BOOK VALUE	
At 31 December 2021	-
	<hr/>
At 31 December 2020	1,513
	<hr/>

15. **STOCKS**

	31.12.21	31.12.20 as restated
	£'000	£'000
Stocks	6,777	5,557
	<hr/>	<hr/>

16. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21	31.12.20 as restated
	£'000	£'000
Trade debtors	9,248	22,768
Amounts owed by group undertakings	25,512	10,436
Other debtors	487	23,169
VAT	538	632
Prepayments	1,065	1,079
	<hr/>	<hr/>
	36,850	58,084
	<hr/>	<hr/>

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20 as restated
	£'000	£'000
Bank loans and overdrafts (see note 18)	15,755	16,975
Trade creditors	20,915	16,543
Amounts owed to group undertakings	-	1,345
Tax	409	787
Social security and other taxes	318	191
Other creditors	2,360	9
Accrued expenses	2,880	858
	<u>42,637</u>	<u>36,708</u>

Bank loans and overdraft facilities are secured on the property and all assets of Sun Mark Limited.

18. LOANS

An analysis of the maturity of loans is given below:

	31.12.21	31.12.20 as restated
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank overdrafts	855	1,673
Bank loans	14,900	15,302
	<u>15,755</u>	<u>16,975</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.21	31.12.20 as restated
	£'000	£'000
Within one year	800	800
Between one and five years	3,200	3,200
In more than five years	2,133	2,933
	<u>6,133</u>	<u>6,933</u>

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

20. **PROVISIONS FOR LIABILITIES**

	31.12.21	31.12.20 as restated
	£'000	£'000
Deferred tax	29	105
		Deferred tax
		£'000
Balance at 1 January 2021		105
Credit to Income Statement during year		(76)
Balance at 31 December 2021		29

21. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.21	31.12.20 as restated
			£'000	£'000
1,600,000	Ordinary	£0.10	160	160
100,000	Ordinary B	£0.10	10	10
			170	170

22. **RESERVES**

	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
At 1 January 2021	37,661	326	37,987
Prior year adjustment	(5,366)		(5,366)
	32,295		32,621
Deficit for the year	(17,798)		(17,798)
Dividends	(7,758)		(7,758)
Transfers	326	(326)	-
At 31 December 2021	7,065	-	7,065

23. **ULTIMATE PARENT COMPANY**

Vinar N.V. (incorporated in Belgium) is regarded by the directors as being the company's ultimate parent company.

24. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.