

Company registration number 05885139 (England and Wales)

**OFF-PISTE WINES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS ENDED 31 MARCH 2022**

# OFF-PISTE WINES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A W V Fairbank	
	Mr A Talbot	
	Mr P D J Letheren	
	Mr M W Pettit	
	Mr J D S Eckworth	(Appointed 1 April 2022)
	Mrs R Archer	
	Mrs K Thompson	
<b>Secretary</b>	Mr A Talbot	
<b>Company number</b>	05885139	
<b>Registered office</b>	Formal House 60 St George's Place Cheltenham England GL50 3PN	
<b>Auditor</b>	Azets Audit Services Epsilon House The Square Gloucester Business Park Gloucester United Kingdom GL3 4AD	

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# OFF-PISTE WINES LIMITED

## CONTENTS

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	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 24

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# OFF-PISTE WINES LIMITED

## STRATEGIC REPORT

### ***FOR THE 12 MONTHS ENDED 31 MARCH 2022***

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The directors present the strategic report for the 12 months ended 31 March 2022.

The directors note the return to a 12-month reporting period for this accounting period to 31 March 2022.

As a result of last year's period covering the period 1 February 2020 to 31 March 2021, the results disclosed in the Statement of Comprehensive Income do not reflect a like-for-like comparison between the current trading performance with the previous accounting period.

The business review includes an overview of our performance with reference to our financial key performance indicators, in which we will refer the current 12 months trading performance and pro-rata last year's 14-month period to 12 months to permit some level of comparability.

#### **Fair review of the business**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks, opportunities and uncertainties we face. The results for the year and the financial position of the company are shown in the annexed financial statements.

The company has been addressing multiple political, social and economic challenges during recent years, chiefly the Covid-19 pandemic and the changes in the UK's trading relationship with the EU. Further to the outbreak of conflict in Ukraine, the company has been unable to supply its customers in Ukraine and also took the decision to no longer supply Russian businesses. The disruption and uncertainty caused by these political, social and economic challenges have had a material impact on both the business and the general trading environment. Logistics, especially shipping market forces post-Covid, continue to cause significant disruptions to supply chains, delivery lanes and costs. There was also another poor European harvest as well as an unexpected shortage of volume from New Zealand, leading to a big imbalance between supply and demand.

The company, through hard work and fast decision making, was still able to give exceptional service levels to its customers and therefore managed to perform well despite the external challenges. However, there are elements of our business that have had to be put on hold for a year or more but which we expect to bounce back strongly in the second half of FY23.

#### **Principal risks and uncertainties**

The management of the business and execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties relate to competition, both nationally and globally, and foreign currency exchange rate risk.

The Board's Five Year Plan seeks to mitigate risks in the short, medium and long term. This includes diversifying our customer and supply base, targeting export markets which give a natural hedge against exchange rate fluctuations, and forward buying currency against known business needs.

The majority of the company's customers are large blue-chip organisations with excellent credit ratings, thus reducing credit risk for the company. However, as a result of the conflict in Ukraine, a provision was made at the year end for debts due from customers based both in Ukraine and Russia which in total amounted to £0.1m.

# OFF-PISTE WINES LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE 12 MONTHS ENDED 31 MARCH 2022**

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### **Development and performance**

The directors monitor the performance of the business monthly against an annual phased target. As such, we have a clear understanding of our performance for sales volume, costs, gross and net profit.

We operate in a highly competitive market that is very challenging. The political forces we have seen post-Brexit, and especially their negative impact on currency, have undoubtedly made for a much harder trading environment.

Covid-19 has also had a great impact on our industry as it has restricted movement and created significant disruption (along with Brexit) to the shipping industry, which our business is so reliant on.

Turnover for the year was £48.3m against £58.4m for the prior period. This represents a £1.7m, or 3.5%, decrease on a pro-rata basis. The reasons stated earlier within the strategic report account for this shortfall but should not be viewed as a long-term profile for the company. The business is forecasting 25% turnover growth in FY23.

Profit before tax for the year was £4.2m versus £4.1m for the 14 months to 31 March 2021. On a pro-rata basis, this represents a 22% increase and is driven by an improved gross margin and a gain of £0.6m on the recognition of the fair value of forward foreign exchange contracts open at the balance sheet date.

### **Key performance indicators**

The directors consider that the key performance indicators are those that demonstrate the activity, financial performance and position of the company; being turnover, gross profit margin, operating profit and net assets.

An analysis of the performance of the company during the period and its position at the year end with reference to these key performance indicators is provided in the business review above.

### **Other performance indicators**

The company uses a range of other key performance indicators to monitor and measure performance within the business on a regular basis.

### **Promoting the success of the company**

This section acts as the Company's Section 172(1) statement.

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), this section also constitutes the company's statements on engagement with, and having due regard to the interest of our suppliers, customers and other key stakeholders.

The directors consider, both individually and collectively, that they 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 member in the decisions taken during the period ended 31 March 2022.

### **Decision-making at the Board level**

All matters that are reserved for decision by the directors are presented at Board meetings. Directors are briefed on any potential impacts and risks for our key stakeholders, as identified below and how they are to be managed.

## OFF-PISTE WINES LIMITED

### STRATEGIC REPORT (CONTINUED)

**FOR THE 12 MONTHS ENDED 31 MARCH 2022**

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#### Engagement with suppliers, customers and others

To assist them in discharging their duties under the Act, the directors engage with suppliers, customers and other key stakeholders, including investors and incorporate their views into the strategy of the company and deliver operational effectiveness and social value.

**Strategy** - Our business plans are designed to have a long-term, beneficial impact on the company and to contribute to the delivery of a successful, customer-focused product.

**Suppliers** - We value long-term relationships, endeavor to treat our suppliers fairly and seek to ensure that they trade responsibly. We do not tolerate modern slavery, corruption or bribery.

**Customers** - Our aim is to provide an exceptional service to our customers and deliver this at best value to encourage strong relationships to be maintained.

**Community** - We are mindful of the impact we have on local communities and the environment. We comply with environmental legislation and pursue waste saving opportunities, wherever possible.

**Investors** - We have identified key risks to our success and profitability as a business and have taken proactive measures to manage this risk to reasonable levels, as outlined in the Directors' Report.

On behalf of the board

Mr M W Pettit

**Director**

10 November 2022

# OFF-PISTE WINES LIMITED

## DIRECTORS' REPORT

### FOR THE 12 MONTHS ENDED 31 MARCH 2022

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The directors present their annual report and financial statements for the 12 months ended 31 March 2022.

#### Principal activities

The principal activity of the company continued to be that of the import and distribution of wine to the UK multiple retail, wholesale, cash & carry and on trade.

#### Results and dividends

The results for the 12-months ended 31 March 2022 are set out on page 9.

Ordinary dividends were paid amounting to £3,129,000. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the 12 months and up to the date of signature of the financial statements were as follows:

Mr A W V Fairbank

Mr A Talbot

Mr P D J Letheren

Mr M W Pettit

Mr J D S Eckworth

(Appointed 1 April 2022)

Mrs R Archer

Mrs K Thompson

#### Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

#### Statement of directors' responsibilities

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

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

- select suitable accounting policies and 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 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.

## **OFF-PISTE WINES LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE 12 MONTHS ENDED 31 MARCH 2022***

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#### **Strategic report**

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

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr M W Petit

**Director**

10 November 2022



# OFF-PISTE WINES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF OFF-PISTE WINES LIMITED

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#### Opinion

We have audited the financial statements of Off-Piste Wines Limited (the 'company') for the 12 months ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 company's affairs as at 31 March 2022 and of its profit for the 12 months 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the strategic report and the directors' report for the financial 12 months for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# OFF-PISTE WINES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF OFF-PISTE WINES LIMITED

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#### 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 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, 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 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, 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.

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

#### Extent to which our procedures are 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the Company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluation the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

## **OFF-PISTE WINES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF OFF-PISTE WINES LIMITED**

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

**Nicholas Mayers (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

10 November 2022

**Chartered Accountants**  
**Statutory Auditor**

Epsilon House  
The Square  
Gloucester Business Park  
Gloucester  
United Kingdom  
GL3 4AD

## OFF-PISTE WINES LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE 12 MONTHS ENDED 31 MARCH 2022

		12 months ended 31 March 2022 £000	14 months ended 31 March 2021 £000
	Notes		
Turnover	2	48,336	58,431
Cost of sales		(40,113)	(50,119)
<b>Gross profit</b>		<b>8,223</b>	<b>8,312</b>
Administrative expenses		(4,605)	(4,250)
Other operating income		622	-
<b>Operating profit</b>	3	<b>4,240</b>	<b>4,062</b>
Interest receivable and similar income	8	-	4
Interest payable and similar expenses	9	-	(6)
<b>Profit before taxation</b>		<b>4,240</b>	<b>4,060</b>
Tax on profit	10	(319)	(510)
<b>Profit for the financial period</b>		<b>3,921</b>	<b>3,550</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# OFF-PISTE WINES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12		4		6
<b>Current assets</b>					
Stocks	13	8,171		6,572	
Debtors	14	10,503		12,223	
Cash at bank and in hand		1,911		1,634	
		<u>20,585</u>		<u>20,429</u>	
<b>Creditors: amounts falling due within one year</b>	16	(7,889)		(8,527)	
<b>Net current assets</b>			12,696		11,902
<b>Net assets</b>			<u>12,700</u>		<u>11,908</u>
<b>Capital and reserves</b>					
Called up share capital	18		1		1
Profit and loss reserves			12,699		11,907
<b>Total equity</b>			<u>12,700</u>		<u>11,908</u>

The financial statements were approved by the board of directors and authorised for issue on 10 November 2022 and are signed on its behalf by:

Mr M W Pettit  
Director

Company Registration No. 05885139

# OFF-PISTE WINES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE 12 MONTHS ENDED 31 MARCH 2022

		Share capital	Profit and loss reserves	Total
	Notes	£000	£000	£000
Balance at 1 February 2020		1	8,357	8,358
<b>Period ended 31 March 2021:</b>				
Profit and total comprehensive income for the period		-	3,550	3,550
Balance at 31 March 2021		1	11,907	11,908
<b>Period ended 31 March 2022:</b>				
Profit and total comprehensive income for the period		-	3,921	3,921
Dividends	11	-	(3,129)	(3,129)
Balance at 31 March 2022		1	12,699	12,700

# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE 12 MONTHS ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Company information**

Off-Piste Wines Limited is a private company limited by shares incorporated in England and Wales. The registered office is Formal House, 60 St George's Place, Cheltenham, England, GL50 3PN.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Off-Piste Brands Ltd. These consolidated financial statements are available from its registered office, Formal House, 60 St Georges Place, Cheltenham, England, GL50 3PN.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% - 50% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

If there is a 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 profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and 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 derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

From time to time, the company operates a bonus scheme to incentivise specific employees. An expense is recognised in profit or loss when the company has a legal or constructive obligation under such arrangements as a result of past events and a reliable estimate of the obligation can be made.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.16 Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.17 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.18 Related parties

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

### 2 Turnover

	2022 £000	2021 £000
<b>Turnover analysed by class of business</b>		
Sales of goods	47,732	57,931
Commissions receivable	604	500
	<u>48,336</u>	<u>58,431</u>
	<b>2022 £000</b>	<b>2021 £000</b>
<b>Turnover analysed by geographical market</b>		
United Kingdom	43,948	53,758
Europe	4,048	4,502
Rest of World	340	171
	<u>48,336</u>	<u>58,431</u>

### 3 Operating profit

	2022 £000	2021 £000
Operating profit for the period is stated after charging/(crediting):		
Exchange losses	194	174
(Gains) / losses on derivatives	(622)	-
Depreciation of owned tangible fixed assets	2	2
Operating lease charges	69	35
	<u></u>	<u></u>

## OFF-PISTE WINES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

#### 4 Auditor's remuneration

	2022	2021
	£000	£000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	22	15
	<u>22</u>	<u>15</u>

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the 12 months was:

	2022	2021
	Number	Number
	35	29
	<u>35</u>	<u>29</u>

Their aggregate remuneration comprised:

	2022	2021
	£000	£000
Wages and salaries	2,255	2,224
Social security costs	268	195
Pension costs	157	303
	<u>2,680</u>	<u>2,722</u>

# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

### 6 Directors' remuneration

	2022 £000	2021 £000
Remuneration for qualifying services	772	716
Company pension contributions to defined contribution schemes	106	252
	<u>878</u>	<u>968</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £000	2021 £000
Remuneration for qualifying services	193	224
Company pension contributions to defined contribution schemes	7	42
	<u>199</u>	<u>266</u>

### 7 Retirement benefit schemes

	2022 £000	2021 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	157	303
	<u>157</u>	<u>303</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 8 Interest receivable and similar income

	2022 £000	2021 £000
Interest income		
Interest on bank deposits	-	4
	<u>-</u>	<u>4</u>

### 9 Interest payable and similar expenses

	2022 £000	2021 £000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	6
	<u>-</u>	<u>6</u>

# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

### 10 Taxation

	2022 £000	2021 £000
<b>Current tax</b>		
UK corporation tax on profits for the current period	320	543
Adjustments in respect of prior periods	(1)	(33)
	<u>319</u>	<u>510</u>

The actual charge for the 12 months can be reconciled to the expected charge for the 12 months based on the profit or loss and the standard rate of tax as follows:

	2022 £000	2021 £000
Profit before taxation	4,240	4,060
	<u>4,240</u>	<u>4,060</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	806	771
Tax effect of expenses that are not deductible in determining taxable profit	6	1
Tax effect of income not taxable in determining taxable profit	(118)	-
Group relief	(375)	(230)
Under/(over) provided in prior years	(1)	(33)
Capital allowances for period/year in excess of depreciation	-	(1)
Capital included within profit and loss	-	2
Other differences leading to an increase / (decrease) in the tax charge	1	-
	<u>319</u>	<u>510</u>

The Finance Bill 2021 substantively enacted an increase in the corporation tax rates to set the main rate at 25% for the financial year beginning 1 April 2023.

### 11 Dividends

	2022 £000	2021 £000
Interim paid	3,129	-
	<u>3,129</u>	<u>-</u>

## OFF-PISTE WINES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

#### 12 Tangible fixed assets

	Fixtures and fittings £000
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	56
<b>Depreciation and impairment</b>	
At 1 April 2021	50
Depreciation charged in the 12 months	2
At 31 March 2022	52
<b>Carrying amount</b>	
At 31 March 2022	4
At 31 March 2021	6

The total carrying value of tangible fixed assets are pledged as security for the banking facilities of the company under a fixed and floating charge.

#### 13 Stocks

	2022 £000	2021 £000
Finished goods and goods for resale	8,171	6,572

The total carrying value of stock is pledged as security for the banking facilities of the company under a fixed and floating charge.



# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

<b>14 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	7,713	7,596
Corporation tax recoverable	210	-
Amounts owed by group undertakings	853	3,039
Derivative financial instruments	507	-
Other debtors	1,079	1,262
Prepayments and accrued income	26	326
	<u>10,388</u>	<u>12,223</u>
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due after more than one year:</b>		
Derivative financial instruments	115	-
	<u>115</u>	<u>-</u>
<b>Total debtors</b>	<u>10,503</u>	<u>12,223</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand with no fixed payment date.

The total carrying value of debtors are pledged as security for the banking facilities of the company under a fixed and floating charge.

<b>15 Financial instruments</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Carrying amount of financial assets</b>		
Derivative financial instruments	622	-
	<u>622</u>	<u>-</u>

The group is exposed to currency exchange rate risk due to a part of its operating income and expenditure being denominated in foreign currencies. The exposure is monitored and managed by the use of forward foreign exchange contracts.

At the year end, the forward foreign exchange contracts are measured at fair value, which represents the difference between the fair value of the forward foreign exchange contracts at the year end forward contract rates and the value of the forward foreign exchange contracts at their respective contracted rates.

# OFF-PISTE WINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

### 16 Creditors: amounts falling due within one year

	Notes	2022 £000	2021 £000
Bank loans and overdrafts	17	113	147
Trade creditors		5,866	6,703
Corporation tax		-	18
Other taxation and social security		69	164
Other creditors		46	78
Accruals and deferred income		1,795	1,417
		<u>7,889</u>	<u>8,527</u>

### 17 Loans and overdrafts

	2022 £000	2021 £000
Bank overdrafts	113	147
	<u>113</u>	<u>147</u>
Payable within one year	113	147
	<u>113</u>	<u>147</u>

The banking overdraft facility is secured against the carrying value of tangible fixed assets, stocks and debtors of the company by way of a fixed and floating charge.

### 18 Share capital

	2022 Number	2021 Number	2022 £000	2021 £000
<b>Ordinary share capital issued and fully paid</b>				
Ordinary shares of £1 each	1,331	1,331	1	1
	<u>1,331</u>	<u>1,331</u>	<u>1</u>	<u>1</u>

There are no restrictions on the distribution of dividends and the repayment of capital.

## OFF-PISTE WINES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTHS ENDED 31 MARCH 2022

#### 19 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £000	2021 £000
Within one year	84	18
Between two and five years	296	-
	<u>380</u>	<u>18</u>

#### 20 Contingent liabilities

At the reporting date, the company's bank had guaranteed liabilities to HM Revenue and Customs arising in the ordinary course of business of £125,000 (2021: £125,000).

At the reporting date, the company had guaranteed liabilities on behalf of the parent company, Off-Piste Brands Ltd, totalling £6,617,000 (2021: £6,044,000).

#### 21 Capital commitments

At the reporting date, the company had no capital commitments (2021: £Nil).

#### 22 Ultimate controlling party

The controlling party is Off-Piste Brands Ltd, the parent company. Off-Piste Brands Ltd is a company incorporated in the United Kingdom and registered in England and Wales.

There is not considered to be any one ultimate controlling party.

The smallest and largest group to prepare consolidated financial statements including this company is the parent company, Off-Piste Brands Ltd. Copies of the consolidated financial statements can be obtained from Off-Piste Brands Ltd's registered office at Formal House, 60 St George's Place, Cheltenham, Gloucestershire, GL50 3PN.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.