

Company Registration No. 07409425 (England and Wales)

CORINTHIAN BRANDS (CBL) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



CORINTHIAN BRANDS (CBL) LIMITED

COMPANY INFORMATION

Directors	S Cottingham P Burton J Hibberd S Hibberd H Burton
Company number	07409425
Registered office	Conyngham Hall Bond End Knaresborough North Yorkshire HG5 9AY
Auditor	Baldwins Audit Services 5th Floor Ship Canal House 98 King Street Manchester M2 4WU
Bankers	Santander UK plc 44 Merrion Street Leeds LS2 8JQ

CORINTHIAN BRANDS (CBL) LIMITED

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CORINTHIAN BRANDS (CBL) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

Corinthian Brands (CBL) Ltd distributes alcoholic and non-alcoholic drinks to retailers and wholesalers in the UK. The operating result for the year (before the exceptional loan write off of £3.65m) builds on profits in the previous years. The customer base continues to expand and new lines have been launched in the year including new flavours of existing key brands. Further expansion to the customer base and product lines is planned for 2020.

Principal risks and uncertainties

There are a number of risks which have been identified by the Company. The Directors are of the opinion that a thorough risk management process is in place which involves the formal review of the risks identified.

Financial risk management

The Company's operations expose it to a variety of financial business risks including foreign currency exchange rates, credit risk and liquidity risk.

Foreign currency risk

Although the Company mainly trades in Sterling, some materials may be sourced from Europe. Prices are negotiated at the start of the year, but are still subject to any increase in duty rates.

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating.

Liquidity risk

The Company's policy is managed by financial management on its major contracts by negotiating favourable payable terms with respective customers and suppliers wherever possible. The Company's objective is to ensure an overall neutral or positive cash flow.

Whilst general trading will always remain competitive the diversification of the group's client base and sectors that it operates in helps manage any exposure to a downturn in any one area. Similarly, this diversification has widened the client base with no customer representing a high percentage of turnover. The Board of Directors continually reviews market conditions to assess both risks and opportunities that the company faces.

The exit by the UK from the European Union we see as an opportunity as well as something we should be concerned about. We will continue to monitor this particularly in relation to certain supplier arrangements.

Key performance indicators

Both the turnover and the gross profit margin are up on 2018. Return on capital employed has also improved. Increases in costs are expected in the forthcoming year due to price increases following the UK leaving the European Union.

CORINTHIAN BRANDS (CBL) LIMITED

STRATEGIC REPORT (CONTINUED)

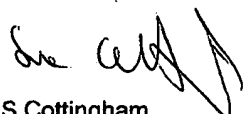
FOR THE YEAR ENDED 31 DECEMBER 2019

Other information and explanations

The pandemic outbreak of COVID-19 in 2020 has had a significant impact on businesses. Restaurants and Pubs have been closed, however Cash & Carries and Wholesalers remain trading and extremely busy. Our business has not been adversely affected at this time, although this situation may change if our customers are unable to staff their premises and this is being constantly reviewed.

The overall impact of COVID-19 is currently very difficult to predict and given the high level of uncertainty it is not possible to, at present, estimate the overall potential impact on the Company. However, the directors believe that the current cash reserves plus the utilisation of the job retention scheme (should it be required) will be sufficient to trade through the current situation in the short term. The directors will continue to monitor the situation and follow the directives issued by government, as well as access other government support if necessary.

On behalf of the board



S Cottingham

Director

14 May 2020

CORINTHIAN BRANDS (CBL) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of the sale of canned beverages.

Directors

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

S Cottingham
P Burton
J Hibberd
S Hibberd
H Burton

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Baldwins Audit Services be reappointed as auditor of the company will be put at a General Meeting.

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;
- 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 of disclosure to auditor

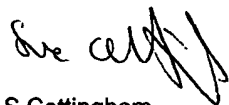
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to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

CORINTHIAN BRANDS (CBL) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

On behalf of the board



S Cottingham
Director

14 May 2020

CORINTHIAN BRANDS (CBL) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CORINTHIAN BRANDS (CBL) LIMITED

Opinion

We have audited the financial statements of Corinthian Brands (CBL) Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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

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

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

Other information

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

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

We have nothing to report in this regard.

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 year 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.

CORINTHIAN BRANDS (CBL) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CORINTHIAN BRANDS (CBL) LIMITED

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 and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

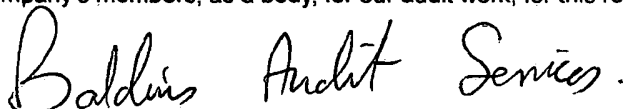
Auditor's responsibilities for the audit of the financial statements

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

Use of our report

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



David Clift (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

Statutory Auditor

14 May 2020

5th Floor
Ship Canal House
98 King Street
Manchester
M2 4WU

CORINTHIAN BRANDS (CBL) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	18,952,879	16,142,086
Cost of sales	-	(13,723,282)	(11,823,122)
Gross profit		5,229,597	4,318,964
Distribution costs		(511,352)	(371,556)
Administrative expenses		(2,376,175)	(1,038,622)
Other operating income		1,000,000	-
Operating profit	4	3,342,070	2,908,786
Interest payable and similar expenses	8	(47,953)	(11,079)
Exceptional loan write off	9	(3,652,000)	-
(Loss)/profit before taxation		(357,883)	2,897,707
Tax on (loss)/profit	10	(686,343)	(543,725)
(Loss)/profit for the financial year		(1,044,226)	2,353,982
Retained earnings brought forward		4,564,446	2,210,464
Retained earnings carried forward		3,520,220	4,564,446

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

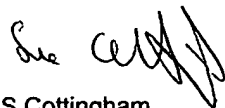
CORINTHIAN BRANDS (CBL) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Stocks	12	4,987,550		1,805,082	
Debtors	13	2,839,819		5,943,167	
Cash at bank and in hand		212,699		104,430	
		<u>8,040,068</u>		<u>7,852,679</u>	
Creditors: amounts falling due within one year	14	<u>(4,469,844)</u>		<u>(3,238,229)</u>	
Net current assets			<u>3,570,224</u>		<u>4,614,450</u>
Capital and reserves					
Called up share capital	18		50,004		50,004
Profit and loss reserves			<u>3,520,220</u>		<u>4,564,446</u>
Total equity			<u>3,570,224</u>		<u>4,614,450</u>

The financial statements were approved by the board of directors and authorised for issue on 14 May 2020 and are signed on its behalf by:



S Cottingham
Director

Company Registration No. 07409425

CORINTHIAN BRANDS (CBL) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		164,222		(601,998)
Interest paid			(47,953)		(11,079)
Income taxes paid			(658,000)		(512,345)
Net cash outflow from operating activities			(541,731)		(1,125,422)
Financing activities					
Loans from Directors		650,000		252,000	
Net cash generated from financing activities			650,000		252,000
Net increase/(decrease) in cash and cash equivalents			108,269		(873,422)
Cash and cash equivalents at beginning of year			104,430		977,852
Cash and cash equivalents at end of year			212,699		104,430

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Corinthian Brands (CBL) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Conyngham Hall, Bond End, Knaresborough, North Yorkshire, HG5 9AY.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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.

The directors have prepared detailed profit and cash flow projections for a period of 12 months from the date of signing these accounts, which demonstrate that the Company will remain profitable. These projections take into account the directors' best estimate of the impact of COVID-19. The Company monitors its cash flow as part of its daily control procedures. The Directors consider the cash position and future requirements on a regular basis and ensure that appropriate facilities are available. The directors have assumed that all current available support will continue and, accordingly, consider it appropriate that the accounts are prepared on the going concern basis. These accounts do not include any adjustments that may be required should the going concern basis of preparation not be appropriate.

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.

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.

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:

Office equipment	straight line over 5 years
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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.

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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.

1.6 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.7 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.

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.

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

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.

Derecognition of financial liabilities

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

1.8 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.

1.9 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.

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 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.

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.

1.11 Retirement benefits

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

1.12 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.

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors have considered the impact of COVID-19 on the business which has occurred since the balance sheet date. They believe that the Company will have sufficient cash and resources available to it to trade through the situation and until the industry returns to business as usual. The Directors will access government support should it be needed and believe that this government support as well as other commercial facilities will be readily available if and when required to enable the Group to continue to trade as a going concern for at least 12 months from signing these accounts.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Sale of canned beverages	18,952,879	16,142,086

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	17,000	17,000
Depreciation of owned tangible fixed assets	-	458
Operating lease charges	84,277	79,770
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
Audit of the financial statements of the company	17,000	17,000
	<u> </u>	<u> </u>

6 Employees

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

	2019 Number	2018 Number
Administrative	9	7
Sales	3	4
	<u> </u>	<u> </u>
	12	11
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	425,057	385,204
Social security costs	62,917	58,062
Pension costs	9,821	4,881
	<u> </u>	<u> </u>
	497,795	448,147
	<u> </u>	<u> </u>

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	256,637	235,345
Company pension contributions to defined contribution schemes	1,477	1,051
	<u>258,114</u>	<u>236,396</u>

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

	2019 £	2018 £
Remuneration for qualifying services	<u>99,227</u>	<u>86,782</u>

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on invoice finance arrangements	<u>47,953</u>	<u>11,079</u>

9 Exceptional Items

During the year an amount of £3,652,000 was written off in respect of a loan to a previous related party, Hereford Contract Canning (HCC) Ltd.

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	687,125	557,066
Adjustments in respect of prior periods	-	(13,341)
Total current tax	<u>687,125</u>	<u>543,725</u>
Deferred tax		
Origination and reversal of timing differences	<u>(782)</u>	<u>-</u>
Total tax charge	<u>686,343</u>	<u>543,725</u>

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
(Loss)/profit before taxation	(357,883)	2,897,707
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(67,998)	550,564
Tax effect of expenses that are not deductible in determining taxable profit	753,168	6,654
Change in unrecognised deferred tax assets	-	758
Adjustments in respect of prior years	-	(13,341)
Effect of change in corporation tax rate	3	(16)
Deferred tax adjustments in respect of prior years	(758)	(894)
Leased cars	1,928	-
Taxation charge for the year	686,343	543,725

11 Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2019 and 31 December 2019	3,055
Depreciation and impairment	
At 1 January 2019 and 31 December 2019	3,055
Carrying amount	
At 31 December 2019	-
At 31 December 2018	-

12 Stocks

	2019 £	2018 £
Finished goods and goods for resale	4,987,550	1,805,082

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

13 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,799,228	2,829,859
Amounts owed by group undertakings	-	3,000,000
Other debtors	-	50,000
Prepayments and accrued income	39,809	63,308
	<u>2,839,037</u>	<u>5,943,167</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 16)	782	-
	<u>782</u>	<u>-</u>
Total debtors	<u>2,839,819</u>	<u>5,943,167</u>

Trade debtors are used as security for the invoice discounting facility.

14 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Other borrowings	15	600,000	-
Trade creditors		1,115,870	75,325
Corporation tax		273,846	244,721
Other taxation and social security		22,024	363,439
Other creditors		2,039,366	2,207,404
Accruals and deferred income		418,738	347,340
		<u>4,469,844</u>	<u>3,238,229</u>

Invoice discounting advances of £2,039,366 (2018: £2,207,404) are secured against fixed and floating charges over all the assets including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

15 Loans and overdrafts

	2019 £	2018 £
Other loans	<u>600,000</u>	<u>-</u>
Payable within one year	<u>600,000</u>	<u>-</u>

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2019 £	Assets 2018 £
Balances:		
Accelerated capital allowances	782	-
	<u>782</u>	<u>-</u>
Movements in the year:		2019 £
Liability at 1 January 2019		-
Credit to profit or loss		(782)
		<u>(782)</u>
Asset at 31 December 2019		<u>(782)</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

17 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,821	4,881
	<u>9,821</u>	<u>4,881</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. The amount outstanding at the year end was £1,017 (2018: £nil).

18 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
50,004 Ordinary shares of £1 each	50,004	50,004
	<u>50,004</u>	<u>50,004</u>

19 Financial commitments, guarantees and contingent liabilities

At the balance sheet date the company had an agreement with its packaging and storage supplier to pay a fee for services provided of £1m per annum for 2 years.

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20 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:

	2019 £	2018 £
Within one year	35,891	64,907
Between two and five years	-	31,819
	<u>35,891</u>	<u>96,726</u>

21 Related party transactions

The company is a wholly owned subsidiary of St Helier Company (SHBC) Jersey Limited ("SHBC"). During the year, SHBC charged the company £60,000 (2018: £60,000) in respect of rent of trade marks. At the year end, £75,000 (2018: £45,000) was outstanding at the year end, included within trade creditors.

During the year, dividends were paid to SHBC totaling £nil (2018: £nil).

On 5 August 2019, a previous related party, Hereford Contract Canning (HCC) was sold. Up until this date, the company purchased goods of £10,600,956 from HCC (£12,825,000 purchased during 2018) and was charged £70,000 for storage services provided (£120,000 charged in 2018). Amounts owed by HCC of £3,652,000 relating to an unsecured loan were written off during the year.

22 Directors' transactions

At the year end there were interest free loans outstanding from the directors totalling £nil (2018: £50,000) included within other debtors. Amounts owed to directors at the year end totalled £600,000 (2018: £nil). During the year £550k (2018: £400k) was repaid to the directors and £1.2m (2018: £652k) was received.

23 Ultimate controlling party

The immediate parent company is St Helier Beverage Company (SHBC) Jersey Limited, a company incorporated in Jersey.

St Helier Beverage Company (SHBC) Jersey Limited is controlled by P Burton and J Hibberd.

CORINTHIAN BRANDS (CBL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

24 Cash generated from/(absorbed by) operations

	2019 £	2018 £
(Loss)/profit for the year after tax	(1,044,226)	2,353,982
Adjustments for:		
Taxation charged	686,343	543,725
Finance costs	47,953	11,079
Depreciation and impairment of tangible fixed assets	-	458
Movements in working capital:		
Increase in stocks	(3,182,468)	(799,397)
Decrease/(increase) in debtors	3,054,130	(3,580,914)
Increase in creditors	602,490	869,069
Cash generated from/(absorbed by) operations	<u>164,222</u>	<u>(601,998)</u>

25 Analysis of changes in net funds/(debt)

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	104,430	108,269	212,699
Borrowings excluding overdrafts	-	(600,000)	(600,000)
	<u>104,430</u>	<u>(491,731)</u>	<u>(387,301)</u>