

LIBERTY BREWING LIMITED

Financial statements

Information for filing with the registrar

for the year ended 31 December 2022

LIBERTY BREWING LIMITED
Registered number: 08502378

Balance sheet
as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	5,467	7,029
Investments	5	10,100,233	8,831,701
		<u>10,105,700</u>	<u>8,838,730</u>
Current assets			
Debtors: amounts falling due within one year	6	2,911	4,632
Cash at bank and in hand	7	120,536	836,653
		<u>123,447</u>	<u>841,285</u>
Creditors: amounts falling due within one year	8	(652,721)	(523,953)
Net current (liabilities)/assets		<u>(529,274)</u>	<u>317,332</u>
Total assets less current liabilities		<u>9,576,426</u>	<u>9,156,062</u>
Creditors: amounts falling due after more than one year	9	(810,128)	(1,893,626)
Net assets		<u><u>8,766,298</u></u>	<u><u>7,262,436</u></u>
Capital and reserves			
Called up share capital		44,147	40,258
Share premium account		10,471,425	8,628,258
Convertible debt option reserve		-	68,917
Profit and loss account		(1,749,274)	(1,474,997)
		<u><u>8,766,298</u></u>	<u><u>7,262,436</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 July 2023.

.....
Mr M W Willson
Director

The notes on pages 2 to 10 form part of these financial statements.

LIBERTY BREWING LIMITED

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Liberty Brewing Limited is a private company limited by shares incorporated in England within the United Kingdom. The registered office address is included on the information page of these accounts and is the same as the place of business. The company's registration number is 08502378.

The financial statements are presented in Sterling which is the functional currency of the Company.

The following principal accounting policies have been applied:

1.2 Going concern

The Company supports a trading subsidiary with a negative balance sheet of £6,008,477 and therefore it has been necessary for the directors to review the cash flow forecasts and the facilities provided by the bank and they have confirmed that the company has sufficient funds in place to support the business for a period of at least 12 months from the date of signature of these accounts. In addition confirmation has been received to confirm that the group financing will not be removed until the subsidiary Company has sufficient funds to repay the balance. On this basis we have prepared the accounts on a going concern basis.

1.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

1.6 Tangible fixed assets

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life.

Depreciation is provided on the following basis:

Plant and machinery	- 20% on cost
---------------------	---------------

**Notes to the financial statements
for the year ended 31 December 2022**

1. Accounting policies (continued)

1.7 Valuation of investments including impairment

Investments in subsidiaries are measured at cost less accumulated impairment.

At each balance sheet date investments are assessed to determine whether there is an indication that the investment may be impaired. If there is such an indication the carrying amount of the asset is compared to the recoverable amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and the asset's value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pretax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods.

A reversal of impairment loss is recognised in the Statement of Comprehensive Income.

1.8 Debtors

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

1.9 Cash and cash equivalents

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

1.10 Creditors

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

1.11 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

**Notes to the financial statements
for the year ended 31 December 2022**

1. Accounting policies (continued)

1.11 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

1.12 Convertible debt

The proceeds received on issue of the Company's convertible debt are allocated into their liability and equity components and presented separately in the Balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. The directors are also required to

exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including

expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the

carrying amounts of assets and liabilities within the next financial year are addressed below.

Convertible debt

The selection of an appropriate market interest rate for a similar debt instrument without a conversion option is subject to some judgement and therefore directors have used their industry knowledge and compared to rates attached to similar unsecured debt.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

LIBERTY BREWING LIMITED

Notes to the financial statements
for the year ended 31 December 2022

4. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2022	7,810
	<hr/>
At 31 December 2022	7,810
	<hr/>
Depreciation	
At 1 January 2022	781
Charge for the year on financed assets	1,562
	<hr/>
At 31 December 2022	2,343
	<hr/>
Net book value	
At 31 December 2022	5,467
	<hr/>
At 31 December 2021	7,029
	<hr/>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Plant and machinery	5,467	7,029

LIBERTY BREWING LIMITED

Notes to the financial statements
for the year ended 31 December 2022

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	8,831,701
Additions	1,268,532
	<hr/>
At 31 December 2022	<u>10,100,233</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Freedom Brewery Limited	Bagots Park, Abbots Bromley, Rugeley, Staffordshire, WS15 3ER	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Freedom Brewery Limited	(6,008,477)	(978,679)

6. Debtors

	2022 £	2021 £
Other debtors	541	2,262
Called up share capital not paid	2,370	2,370
	<hr/>	<hr/>
	<u>2,911</u>	<u>4,632</u>

LIBERTY BREWING LIMITED

Notes to the financial statements
for the year ended 31 December 2022

7. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>120,536</u>	<u>836,653</u>

8. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Obligations under finance lease and hire purchase contracts	1,910	1,591
Other creditors	647,789	519,612
Accruals and deferred income	3,022	2,750
	<u>652,721</u>	<u>523,953</u>

The following liabilities were secured:

	2022	2021
	£	£
Other creditors	<u>647,789</u>	<u>519,612</u>

Details of security provided:

Other creditors are secured by the way of a fixed and floating charge over the assets of the company.

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

LIBERTY BREWING LIMITED

Notes to the financial statements
for the year ended 31 December 2022

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

	2022 £	2021 £
Convertible loans	-	1,081,678
Other loans	806,585	806,585
Net obligations under finance leases and hire purchase contracts	3,543	5,363
	<u>810,128</u>	<u>1,893,626</u>

The following liabilities were secured:

	2022 £	2021 £
Other loans	<u>806,585</u>	<u>806,585</u>

Details of security provided:

Other loans are secured by way of a fixed and floating charge over the assets of the company.

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

10. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due 1-2 years		
Other loans	806,585	-
	<u>806,585</u>	<u>-</u>
Amounts falling due 2-5 years		
Other loans	-	806,585
Convertible loans	-	1,081,678
	<u>-</u>	<u>1,888,263</u>

LIBERTY BREWING LIMITED

Notes to the financial statements
for the year ended 31 December 2022

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	1,910	1,591
Between 1-5 years	3,453	5,363
	<u>5,363</u>	<u>6,954</u>

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
3,829,574 (2021 - 3,453,646) Ordinary A shares of £0.01 each	38,296	34,536
1,360,064 (2021 - 1,360,064) Ordinary B shares of £0.000001 each	1	1
120,000 (2021 - 107,500) Ordinary D shares of £0.01 each	1,200	1,075
25,000 (2021 - 25,000) Growth1 shares of £0.01 each	250	250
40,000 (2021 - 40,000) Growth2 shares of £0.01 each	400	400
75,000 (2021 - 75,000) Growth3 shares of £0.01 each	750	750
125,000 (2021 - 125,000) Growth4 shares of £0.01 each	1,250	1,250
	<u>42,147</u>	<u>38,262</u>

	2022 £	2021 £
Allotted, called up and partly paid		
18,868 (2021 - 18,868) Growth1 shares of £0.01 each	189	189
30,188 (2021 - 30,188) Growth2 shares of £0.01 each	302	302
56,604 (2021 - 56,604) Growth3 shares of £0.01 each	566	566
94,340 (2021 - 94,340) Growth4 shares of £0.01 each	943	943
	<u>2,000</u>	<u>2,000</u>

375,928 Ordinary A shares were issued and fully paid with a nominal value of £3,759 and consideration of £1,778,009. £12,500 Ordinary D shares were issued and fully paid at nominal value of £125.

13. Related party transactions

The company has taken advantage of the FRS 102 exemption not to disclose transactions within wholly owned groups.

LIBERTY BREWING LIMITED

**Notes to the financial statements
for the year ended 31 December 2022**

14. Controlling party

The Company is controlled by its shareholders but no single shareholder has significant influence. Liberty Brewing Limited is exempt from preparing group accounts as a result of the small group status.

15. Provisions available for audits of small entities

In common with many other businesses of this size and nature, the company engages the statutory auditors to assist with the preparation of the financial statements and corporation tax computation as well as the audit.

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 11 July 2023 by James Bagley (Senior statutory auditor) on behalf of PKF Smith Cooper Audit Limited.

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.