

Company Registration No. 08543735 (England and Wales)

EAST LONDON LIQUOR COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

PAGES FOR FILING WITH REGISTRAR

Approved for filing on behalf of the company

**The Granary
Hones Yard
1 Waverley Lane
Farnham
Surrey
GU9 8BB**

EAST LONDON LIQUOR COMPANY LIMITED

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EAST LONDON LIQUOR COMPANY LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr S. Chillery Mr A. Wolpert Mr P. Franzen Mr J. Akerlund Mr R. Grain Mr J. Law Mr. M Francis-Baum |
| Company number | 08543735 |
| Registered office | Unit GF1 Bow Wharf 221 Grove Road London E3 5SN |
| Accountants | TC Group The Granary Hones Yard 1 Waverley Lane Farnham Surrey GU9 8BB |

EAST LONDON LIQUOR COMPANY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

| | | 2022 | 2021 |
|--|-------|-------------------------|-------------------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Intangible assets | | 282,292 | 271,472 |
| Tangible assets | 4 | 465,429 | 532,877 |
| Investments | 5 | 3,150,001 | 3,150,001 |
| | | <u>3,897,722</u> | <u>3,954,350</u> |
| Current assets | | | |
| Stocks | | 1,054,206 | 944,817 |
| Debtors | 6 | 604,480 | 260,048 |
| Cash at bank and in hand | | 9,617 | 49,699 |
| | | <u>1,668,303</u> | <u>1,254,564</u> |
| Creditors: amounts falling due within one year | 7 | <u>(785,912)</u> | <u>(769,661)</u> |
| Net current assets | | <u>882,391</u> | <u>484,903</u> |
| Total assets less current liabilities | | <u>4,780,113</u> | <u>4,439,253</u> |
| Creditors: amounts falling due after more than one year | 8 | <u>(568,452)</u> | <u>(208,319)</u> |
| Net assets | | <u><u>4,211,661</u></u> | <u><u>4,230,934</u></u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 30,054 | 24,304 |
| Share premium account | | 8,531,088 | 6,138,557 |
| Other reserves | 11 | - | 1,575,315 |
| Profit and loss reserves | | <u>(4,349,481)</u> | <u>(3,507,242)</u> |
| Total equity | | <u><u>4,211,661</u></u> | <u><u>4,230,934</u></u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

EAST LONDON LIQUOR COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 19 October 2022 and are signed on its behalf by:

Mr A. Wolpert
Director

Company Registration No. 08543735

The notes on pages 5 to 14 form part of these financial statements

EAST LONDON LIQUOR COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

| | | Share capital | Share premium account | Other reserves | Profit and loss reserves | Total |
|--|-------|---------------|-----------------------|----------------|--------------------------|-------------|
| | Notes | £ | £ | £ | £ | £ |
| Balance at 1 April 2020 | | 13,930 | 3,739,255 | 1,575,315 | (3,065,562) | 2,262,938 |
| Year ended 31 March 2021: | | | | | | |
| Loss and total comprehensive income for the year | | - | - | - | (441,680) | (441,680) |
| Issue of share capital | 10 | 10,374 | 2,399,302 | - | - | 2,409,676 |
| Balance at 31 March 2021 | | 24,304 | 6,138,557 | 1,575,315 | (3,507,242) | 4,230,934 |
| Year ended 31 March 2022: | | | | | | |
| Loss and total comprehensive income for the year | | - | - | - | (842,239) | (842,239) |
| Issue of share capital | 10 | 5,750 | 2,392,531 | - | - | 2,398,281 |
| Other movements | | - | - | (1,575,315) | - | (1,575,315) |
| Balance at 31 March 2022 | | 30,054 | 8,531,088 | - | (4,349,481) | 4,211,661 |

The notes on pages 5 to 14 form part of these financial statements

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

East London Liquor Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit GF1 Bow Wharf, 221 Grove Road, London, E3 5SN.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT, excise duties and trade discounts.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|--------------------|---------------|
| Corporate branding | Over 10 years |
| Recipe development | Over 10 years |

1.5 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.

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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:

| | |
|----------------------------------|----------------------------|
| Leasehold land and buildings | Over the term of the lease |
| Plant and machinery | 20% reducing balance |
| Fixtures, fittings and equipment | 20% reducing balance |
| Computer equipment | 33% straight line |
| Motor vehicles | 20% reducing balance |
| Distilling equipment | 5% straight line |

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.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.8 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.

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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.

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, 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.

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.11 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.

1.12 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.

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 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.

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Employees

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

| | 2022 | 2021 |
|-------|---------------|---------------|
| | Number | Number |
| Total | 23 | 23 |

3 Intangible fixed assets

| | Corporate branding | Recipe Developm't | Total |
|------------------------------------|-------------------------------|------------------------------|--------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2021 | 154,628 | 131,421 | 286,049 |
| Additions | 39,425 | - | 39,425 |
| At 31 March 2022 | 194,053 | 131,421 | 325,474 |
| Amortisation and impairment | | | |
| At 1 April 2021 | 9,101 | 5,476 | 14,577 |
| Amortisation charged for the year | 15,463 | 13,142 | 28,605 |
| At 31 March 2022 | 24,564 | 18,618 | 43,182 |
| Carrying amount | | | |
| At 31 March 2022 | 169,489 | 112,803 | 282,292 |
| At 31 March 2021 | 145,527 | 125,945 | 271,472 |

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

| 4 | Tangible fixed assets | | | | | | | | | |
|---|------------------------------------|---------------------------------|------------------------|--|-----------------------|-------------------|-------------------------|-----------|--|---|
| | | Leasehold land and buildings | Plant and machinery | Fixtures, fittings and equipment | Computer equipment | Motor vehicles | Distilling equipment | Total | | |
| | Cost | £ | £ | £ | £ | £ | £ | £ | | £ |
| | At 1 April 2021 | 52,308 | 532,628 | 370,767 | 31,446 | 27,634 | 62,205 | 1,076,988 | | |
| | Additions | - | 13,042 | - | 2,046 | - | - | 15,088 | | |
| | Disposals | - | - | - | (743) | - | - | (743) | | |
| | At 31 March 2022 | 52,308 | 545,670 | 370,767 | 32,749 | 27,634 | 62,205 | 1,091,333 | | |
| | Depreciation and impairment | | | | | | | | | |
| | At 1 April 2021 | 11,675 | 238,031 | 234,212 | 20,770 | 17,807 | 21,616 | 544,111 | | |
| | Depreciation charged in the year | 2,092 | 38,861 | 27,311 | 6,180 | 1,966 | 6,126 | 82,536 | | |
| | Eliminated in respect of disposals | - | - | - | (743) | - | - | (743) | | |
| | At 31 March 2022 | 13,767 | 276,892 | 261,523 | 26,207 | 19,773 | 27,742 | 625,904 | | |
| | Carrying amount | | | | | | | | | |
| | At 31 March 2022 | 38,541 | 268,778 | 109,244 | 6,542 | 7,861 | 34,463 | 465,429 | | |
| | At 31 March 2021 | 40,633 | 294,597 | 136,555 | 10,676 | 9,827 | 40,589 | 532,877 | | |

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Fixed asset investments

| | 2022 | 2021 |
|-------------|-------------|-------------|
| | £ | £ |
| Investments | 3,150,001 | 3,150,001 |

Movements in fixed asset investments

| | Shares in group undertakings £ |
|---------------------------------|---|
| Cost or valuation | |
| At 1 April 2021 & 31 March 2022 | 3,150,001 |
| Carrying amount | |
| At 31 March 2022 | 3,150,001 |
| At 31 March 2021 | 3,150,001 |

6 Debtors

| | 2022 | 2021 |
|---|-------------|-------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 515,913 | 129,628 |
| Other debtors | 28,334 | 21,527 |
| Prepayments and accrued income | 32,733 | 81,393 |
| | 576,980 | 232,548 |

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Amounts falling due after more than one year: | | |
| Other debtors | 27,500 | 27,500 |
| Total debtors | 604,480 | 260,048 |

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Bank loans | 5,594 | 1,023 |
| Obligations under hire purchase agreements | 58,963 | 68,442 |
| Trade creditors | 278,993 | 102,904 |
| Amounts due to group undertakings | 37,105 | 9,680 |
| Other taxation and social security | 327,914 | 510,466 |
| Other creditors | 47,880 | 44,097 |
| Accruals and deferred income | 29,463 | 33,049 |
| | <u>785,912</u> | <u>769,661</u> |

There is a fixed and floating charge against the property of the company in relation to the bank overdraft.

The obligations under hire purchase agreements are secured against the assets to which they relate.

There is a fixed and floating charge over all of the assets and property of the company, in relation to the invoice financing facility. No corresponding liability is shown as funds were available but had not been drawn down from the facility at year end (2021: invoice finance facility liability included within other creditors due within one year).

8 Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 94,252 | 48,977 |
| Obligations under hire purchase agreements | 92,812 | 159,342 |
| Other creditors | 381,388 | - |
| | <u>568,452</u> | <u>208,319</u> |

The obligations under hire purchase agreements are secured against the assets to which they relate.

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Deferred taxation

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

| | Liabilities 2022 | Liabilities 2021 |
|-----------|---------------------|---------------------|
| Balances: | £ | £ |
| | <u> </u> | <u> </u> |

Deferred tax in respect of tax losses has been restricted to the same amount of deferred tax that has been recognised on accelerated capital allowances, as it is not probable that any excess will be recovered against future taxable profits.

10 Called up share capital

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 100,000 Ordinary shares of 1p each | 1,000 | 1,000 |
| 286,548,159 (2021: 231,297,158) Ordinary A shares 0.0001p each | 28,655 | 23,129 |
| 3,991,287 (2021: 1,753,315) Investment B shares of 0.0001p each | 399 | 175 |
| | <u> </u> | <u> </u> |
| | 30,054 | 24,304 |
| | <u> </u> | <u> </u> |

On the 1 April 2021 the company issued 39,800,000 Ordinary A shares with nominal value of 0.0001p. The shares were issued for no consideration other than service.

On the 17 July 2021 the company issued 7,781,503 Ordinary A shares with nominal value of 0.0001p. The shares were issued for a consideration of 8.97p per share.

On the 17 July 2021 the company issued 2,237,972 Investment B shares with nominal value of 0.0001p. The shares were issued for a consideration of 8.97p per share.

On the 9 March 2022 the company issued 7,669,498 Ordinary A shares with nominal value of 0.0001p. The shares were issued for a consideration of 20.54p per share.

EAST LONDON LIQUOR COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Other reserves

| | £ |
|------------------------------------|-------------|
| At the beginning of the prior year | 1,575,315 |
| At the end of the prior year | 1,575,315 |
| Other movements | (1,575,315) |
| At the end of the current year | - |

On 11 March 2020 the company acquired an investment in Longflint Drinks Limited for a consideration expected to amount to £3,150,000. Of the total consideration, £1,574,549 was satisfied via the issue of 7,669,501 Ordinary A shares on 11 March 2020.

The remaining consideration was satisfied via the issue of further Ordinary A shares in the company on 9 March 2022.

In accordance with FRS 102 Section 19.12 the directors recorded the investment at the total expected cost and had provided for within Other reserves, the fair value of the remaining consideration to be settled via the issue of further equity shares in the company.

12 Operating lease commitments

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

| | 2022 £ | 2021 £ |
|----------------------------|-----------|-----------|
| Within one year | 66,000 | 66,000 |
| Between two and five years | 55,000 | 121,000 |
| Total commitments | 121,000 | 187,000 |

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.