

# Jägermeister



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**Mast-Jaegermeister UK Limited**  
**Report and Financial Statements**  
**for the year ended 31 December 2020**

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## Corporate Information

### Directors

Michael Cleary  
Brett Kearthland

### Secretary

Vistra Company Secretaries Limited  
First Floor  
Templeback  
10 Temple Back  
Bristol  
BS1 6FL

**Registered No. 08646840**

### Registered Office

1st Floor, Building 11  
Riverside Way  
Watchmoor Park  
Camberley  
Surrey  
GU15 3YL

### Bankers

Deutsche Bank AG  
6 Bishopsgate  
London  
EC2N 4DA

## Strategic Report

The Directors present their strategic report for the year ended 31 December 2020.

### Review of the Business

The Company's principal activity is the sale and distribution of Jägermeister spirits within the United Kingdom.

2020 was overshadowed by the COVID-19 pandemic. This had an enormous impact on the business with Jaegermeister being predominantly an On Trade brand. With the On Trade being closed for much of the year, this impacted the revenue, however various savings initiatives were implemented to minimise the Operating Profit/(Loss) position.

A number of key initiatives took place to support our On Trade partners and organisations negatively impacted by COVID-19, such as #savethenight.

The impact of COVID-19 is expected to be seen in the foreseeable future and we will plan our strategy accordingly.

Following the United Kingdom's departure from the European Union (EU), Jaegermeister made sure that there was sufficient stock to ensure no out of stock issues, post the transition out of the EU.

### Key Performance Indicators

	2020	2019
	£'000	£'000
Revenue	31,744	39,898
Operating profit/(loss)	(1,955)	(2,310)
Equity shareholders' funds	7,470	9,002
Average number of employees	57	62

We are proud of the quality and heritage of Jägermeister that dates back to 1878. We sit on the Portman Group Council, are members of Drinkaware and the Wine and Spirit Trade Association and subscribe to all industry codes of practice with respect to the promotion of responsible drinking. We also support the drinks industry charity The Benevolent.

### Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as brand and consumer trends, compliance, legislative, supply chain management and finance.

The brand is susceptible to consumer trends, thus the brand's positioning is continually reviewed and invested in to ensure that it is a relevant brand.

The Company's reputation is based on consumer trust. Any major event triggered by a serious drink safety or other issue could have serious implications on its reputation and financial performance. Therefore there are a number of controls in place to ensure that the Company is compliant with industry standards and legislation associated with protection of the environment, handling, storage, transportation and disposal of waste materials.

The business is also influenced by legislation; and any significant change to the legislative environment could have an effect on business performance. We work with all the recognised industry bodies to ensure that the appropriate legislative framework continues to exist for us and the industry.


The product is supplied by Mast-Jägermeister SE which therefore eliminates a number of risks in the Mast-Jaegermeister UK Ltd supply chain as this ensures that there is sufficient stock available of the correct quality.

## Strategic Report *(continued)*

The Company has established a risk management framework with the primary objectives of protecting against events that hinder the Company from achieving its objectives. The aim is to limit counterparty exposure, ensure sufficient working capital, and monitor commercial risk and foreign exchange risk, provide appropriate insurance cover and establish processes to monitor and control other potential risks.

Approved by the Board of Directors and signed on its behalf by

Michael Cleary (Director)



Date

18.08.21

## Directors' report

The Directors present their report for the year ended to 31 December 2020.

### Directors of the Company

The Directors who served the Company during the year and up to the date of this report are as follows:

Michael Cleary

Brett Kearthland

### Corporate Responsibility

**Environmental** – The Company is committed to operating in an environmentally responsible manner.

**Health & Safety** – The Company is committed to providing for the health, safety and welfare of all its employees. Every effort is made to ensure that the requirements of the Health & Safety at Work Act 1974 and all other relevant regulations and codes of practice are complied with.

**Modern Slavery** – The Company is committed to ensuring that there is no modern slavery and human trafficking in its supply chains or in any parts of its business. Steps are taken to ensure due diligence by way of training and supplier adherence, with zero tolerance towards any party found to be engaged in slavery and human trafficking.

### Result & Dividends

The results for the period are set out on page 11. The Directors do not recommend payment of a dividend for the year.

### Strategic report

In accordance with Section 414C (11) of the Companies Act 2006, the principal risks and uncertainties of the Company are contained within the strategic report on page 3 and 4.

### Future developments

The Directors aim to maintain the management policies which will result in the Company's volume growth next year. They consider that the next year will show a growth in sales from continuing operations.

### Going Concern

After making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Cash pooling is in operation for the Group and is available to the Company, which would cover any potential shortfall in cash flow should it occur in the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Directors' liabilities

The Company has granted an indemnity to its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of The Companies Act 2006. Such qualifying third-party indemnity provisions remain in force as at the date of approving the Directors' report.

## **Directors' report (*continued*)**

Approved by the Board of Directors and signed on its behalf by

Michael Cleary (Director)

A handwritten signature in black ink, appearing to be 'M. Cleary', written over a dotted line.

Date

18.08.21

Registered No. 08646840

## Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial period. 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 those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue in business.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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.

## Income Statement

for the year ended 31 December 2020

		2020	2019
	Notes	£'000	£'000
Revenue	2	31,744	39,898
Cost of sales		<u>(27,519)</u>	<u>(34,241)</u>
<b>Gross Profit</b>		4,225	5,657
Distribution costs		(4,703)	(6,672)
Administrative expenses		(6,349)	(7,819)
Other operating income	3	<u>4,872</u>	<u>6,524</u>
<b>Profit/(Loss) on operating activities</b>	4	(1,955)	(2,310)
Interest receivable		<u>17</u>	<u>31</u>
<b>Profit/(Loss) on ordinary activities before taxation</b>		(1,938)	(2,279)
Tax on profit/(loss) on ordinary activities	7	<u>406</u>	<u>374</u>
<b>Profit/(Loss) for the financial period</b>		<u>(1,532)</u>	<u>(1,905)</u>

All results relate to continuing operations.

## Statement of Comprehensive Income

for the year ended 31 December 2020

	2020 £'000	2019 £'000
Profit/(Loss) for the financial period	(1,532)	(1,905)
Total other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>(1,532)</b>	<b>(1,905)</b>

## Statement of Changes in Equity

for the year ended 31 December 2019

	<i>Called-up capital</i> £'000	<i>Profit and loss account</i> £'000
At 1 January 2019	6,805	4,102
Loss for the year	-	(1,905)
At 1 January 2020	6,805	2,197
Profit for the year	-	(1,532)
At 31 December 2020	<b>6,805</b>	<b>665</b>

## Statement of Financial Position

at 31 December 2020

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	8	340	287
		<u>340</u>	<u>287</u>
<b>Current assets</b>			
Stocks	9	4,201	1,901
Debtors	10	11,151	15,788
Cash at bank and in hand		241	879
		<u>15,593</u>	<u>18,568</u>
<b>Creditors: amounts falling due within one year</b>	11	8,343	9,733
<b>Net current assets</b>		<u>7,250</u>	<u>8,835</u>
<b>Total assets less current liabilities</b>		7,590	9,172
<b>Provisions for liabilities</b>	13	120	120
<b>Net assets</b>		<u>7,470</u>	<u>9,002</u>
<b>Capital and reserves</b>			
Called up share capital	14	6,805	6,805
Profit and loss account		665	2,197
		<u>7,470</u>	<u>9,002</u>

For the year ended 31<sup>st</sup> December 2020 the Company was entitled to exemption from audit under section 479a of the Companies Act 2006

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the board of Directors on 18 August 2021 and were signed on its behalf by

Brett Keartland (Director)



Date 18/08/21

## Notes to the financial statements

at 31 December 2020

### 1. Accounting policies

#### ***Statement of Compliance***

Mast-Jaegermeister UK Limited is a limited liability company incorporated in England. The Registered Office is 1st Floor, Building 11, Riverside Way, Watchmoor Park, Camberley, Surrey, GU15 3YL.

The financial statements of Mast-Jaegermeister UK Limited have been prepared in compliance with FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' as it applies to the financial statements of the Company for the year ended 31 December 2020.

#### ***Basis of preparation***

These financial statements are prepared on a going concern basis, under the historical cost convention.

#### ***Exemptions adopted***

The Company is exempt from the requirement to prepare a statement of cash flows since a parent undertaking includes the Company in its own publicly available consolidated financial statements. The Company has taken exemption from reporting certain related party transactions being those with wholly owned group companies.

#### ***Judgements and key sources of estimation uncertainty***

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The following are the Company's key sources of estimation uncertainty:

#### ***Depreciation and the useful lives of tangible and intangible assets***

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of property plant and equipment.

#### ***Impairment of debtors***

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. At the year end, management considered that the risk of debtors not being recovered is minimal.

## Notes to the financial statements *(continued)*

### 1. Accounting policies *(continued)*

#### ***Revenue Recognition***

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when the significant risks and rewards of ownership have transferred to the buyer. Sales of goods are recognised on dispatch.

Goods to customers are often sold with volume rebates and also with the provision for return. Sales are measured at the prices specified in the sale contract, net of estimated volume rebates and returns. The element of financing is deemed immaterial and is disregarded in the measurement of revenue.

#### ***Property, Plant and Equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Leasehold land and buildings – over the shorter of the lease term and 20 years
- Plant and machinery – over 3 to 15 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, including Excise Duty where applicable.

#### ***Provisions for liabilities***

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### ***Foreign currencies***

The Company's presentation and functional currency is GBP. Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the year-end date. All differences are taken to the income statement.

#### ***Employee benefits***

The Company provides a range of benefits to employees, including a defined contribution pension plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations, the contributions are recognised as an expense to the Income Statement when they are due. Amounts not paid are shown in accruals in the statement of financial position, the assets of the plan are held separately from the Company in independently administered funds.

## Notes to the financial statements *(continued)*

### 1. Accounting policies *(continued)*

#### **Leased assets**

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement. Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the minimum period of the lease.

### 2. Revenue

Revenue represents the amounts derived from the continuing provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax and is all derived from the United Kingdom.

### 3. Other operating income

	2020 £'000	2019 £'000
Recharges to group undertakings	4,766	6,442
Other income	106	82
	<u>4,872</u>	<u>6,524</u>

### 4. Profit/(Loss) on operating activities

This is stated after charging/(crediting):

	2020 £'000	2019 £'000
Depreciation and amortisation of owned assets (see note 8 & 9)	112	93
Foreign exchange differences loss, (Gain)	41	(428)
Operating lease rentals - land and buildings	137	137
Operating lease rentals – cars	73	84
Auditors' remuneration: Audit (see note 5)	-	22
Auditors' remuneration: Non-Audit (see note 5)	21	25

## Notes to the financial statements *(continued)*

### 5. Auditor's remuneration

The remuneration of the auditors or its associates is further analysed as follows:

	2020 £'000	2019 £'000
Audit of the financial statements( Paid by ultimate parent Company)	-	22
Total Audit	-	22
Other assurance services	8	11
Taxation compliance services	13	14
Total non-audit services	21	25

### 6. Staff costs

#### (a) Staff costs

	2020 £'000	2019 £'000
Wages and salaries	3,592	4,222
Social security costs	347	477
Other pension costs	205	203
	4,144	4,902

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

	2020	2019
Sales/Marketing	40	44
Administration	17	18
	57	62

#### (b) Directors' remuneration

	2020 £'000	2019 £'000
Directors' emoluments	433	613
Emoluments of highest paid director	261	348

Contributions were paid to the highest paid director's personal pension plan during the year of £14,160 (2020:Nil).

## Notes to the financial statements *(continued)*

### 7. Tax

#### (a) Tax on profit/(loss) on ordinary activities

The tax charge/(credit) is made up as follows:

	2020 £'000	2019 £'000
Current tax:		
UK corporation tax on profit/(loss) for the year	-	
Adjustment in respect of previous periods	-	(35)
Total current tax	-	(35)
Deferred tax:		
Origination and reversal of timing differences	(361)	(414)
Adjustments in respect of previous periods	1	31
Effect of changes in tax rates	(46)	44
Total deferred tax	(406)	(339)
Total tax on loss on ordinary activities	(406)	(374)

#### (b) Factors affecting tax charge/(credit) for the year:

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit/(loss) on ordinary activities before taxation	(1,938)	(2,279)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK	(368)	(433)
Effects:		
Disallowed expenses and non-taxable income	7	19
Adjustment from previous periods	1	(4)
Tax rate changes	(46)	44
Total tax for the period (note (a))	(406)	(374)

#### (c) Deferred tax

The movements in deferred taxation during the year are as follows:

	2020 £'000	2019 £'000
At Beginning of year	(394)	(55)
Charge for the year	(406)	(339)
At End of year	(800)	(394)

## Notes to the financial statements *(continued)*

### 7. Tax *(continued)*

#### c) Deferred tax *(continued)*

The deferred taxation (asset)/liability recognised in the financial statements is as follows:

	2020	2019
	£'000	£'000
Accelerated / (decelerated) capital allowances	(10)	8
Other short-term timing differences	(28)	(25)
Losses	(762)	(377)
	<u>(800)</u>	<u>(394)</u>

#### (d) Factors that may affect future tax charges

The main rate of corporation tax has been 19% since 1 April 2017. A reduction in the corporation tax rate to 17% from 1 April 2020 was enacted during 2016. The UK Government subsequently announced that the main rate of corporation tax will remain at 19% from 1 April 2020 and as such deferred tax has been recognised at a rate of 19%.

The 2021 UK Budget announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main rate of corporation tax to 25%, which is due to be effective from 1 April 2023. This change was not substantively enacted at the balance sheet date and hence it has not been reflected in the measurement of deferred tax balances at the period end.

### 8. Tangible assets

	<i>Land and buildings</i>	<i>Plant and Machinery</i>	<i>Total</i>
	£'000	£'000	£'000
Cost:			
At 1 January 2020	420	570	990
Additions	-	165	165
Disposals	-	-	-
At 31 December 2020	<u>420</u>	<u>735</u>	<u>1,155</u>
Depreciation:			
At 1 January 2020	197	506	703
Charge for the year	42	70	112
Disposals	-	-	-
At 31 December 2020	<u>239</u>	<u>576</u>	<u>815</u>
Carrying amount at 1 January 2020	<u>181</u>	<u>106</u>	<u>287</u>
Carrying amount at 31 December 2020	<u>181</u>	<u>159</u>	<u>340</u>

## Notes to the financial statements *(continued)*

### 9. Stocks

	2020	2019
	£'000	£'000
Finished goods and goods for resale	4,201	1,901

There is no significant difference between the replacement cost of finished goods and goods for resale and their carrying amounts.

Stocks recognised as a cost of sales expense during the period amounted to £14,764,027 (2019:£18,511,016).

### 10. Debtors

	2020	2019
	£'000	£'000
Trade debtors	7,589	13,849
Amounts owed by group undertakings	2,337	1,173
Other debtors	239	204
Corporation tax	-	35
Deferred Tax	800	394
Prepayments and accrued income	186	133
	<u>11,151</u>	<u>15,788</u>

Amounts falling due after more than one year included in the above are:

Deferred tax	800	394
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### 11. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	477	548
Amounts owed to group undertakings	4,799	3,698
Other taxes and social security costs	1,410	2,189
Accruals and deferred income	1,650	3,298
Corporation Tax	7	-
	<u>8,343</u>	<u>9,733</u>

## Notes to the financial statements *(continued)*

### 12. Lease commitments

Future minimum rentals payable under non-cancellable operating lease are as follows:

	2020		2019	
	<i>Cars</i>	<i>Buildings</i>	<i>Cars</i>	<i>Buildings</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Within 1 year	74	137	41	137
2-5 years	20	411	9	549
Total	<u>94</u>	<u>548</u>	<u>150</u>	<u>686</u>

### 13. Provisions for liabilities

The Company set up a provision in the previous period for building dilapidations . Movements for the period are:

	<i>Buildings Dilapidation, £'000</i>
At 1 January 2020	120
Provisions during the year	-
At 31 December 2020	<u>120</u>

### 14. Allotted and issued share capital

	2020	2019
	<i>£'000</i>	<i>£'000</i>
Allotted, called-up and fully paid		
Ordinary shares of £1 each	<u>6,805</u>	<u>6,805</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

### 15. Controlling entity

The immediate parent undertaking is Mast-Jaegermeister UK Holding Ltd. The ultimate parent undertaking and controlling entity is Mast-Jägermeister SE, Jägermeisterstrasse 7-15, 38296 Wolfenbüttel, Germany.