

Fevertree Germany Limited

Report and Financial Statements

Year Ended

31 December 2020

Company Number 11914001



Fevertree Germany Limited

Report and Financial Statements for the year ended 31 December 2020

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Directors

T D G Warrillow
A Branchflower

Registered office

Kildare House, 3 Dorset Rise, London, EC4Y 8EN

Company number

11914001

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Fevertree Germany Limited

Strategic report for the year ended 31 December 2020

The Directors present their strategic report together with the audited financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the Company in the year under review was the sale of premium mixer drinks. The Company was a Limited Risk Distributor. Following acquisition of GDP Global Drinks Partnership GmbH by another Group company on 1 July 2020, these trading activities ceased.

Head Office is based at 186-188 Shepherds Bush Road, London, W6 7NL.

Review of business

The Company was incorporated on 29 March 2019 following a move to an agency model with the Company's distributor GDP Global Drinks Partnership GmbH (GDP) in Germany. That arrangement ceased when GDP was acquired by another Group company on 1 July 2020.

The Directors manage the business on the key indicator of turnover. The Company's turnover for the year ended 31 December 2020 was €6,503.4k (2019: €12,401.2k).

Principal risks and financial uncertainties

Financial risk management

Prior to the acquisition of GDP Global Drinks Partnership GmbH by another group company, the Company's operations as a Limited Risk Distributor exposed it to a variety of financial risks that included the effects of changes in credit risk and liquidity risk as detailed below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. At 31 December 2020, the Company has net trade and other receivables of €1,243.0k (2019: €3,928.4k), relating principally to amounts due from other group companies (€779.2k, 2019: nil). The Company is exposed to credit risk in respect of these balances such that, if one or more customers encounter financial difficulties, this could materially and adversely affect the Company's financial results. In order to minimise this risk, the Company endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. Companies which are not deemed to be creditworthy can only deal with the Company on a prepayment basis.

Supply of products by the Company results in trade receivables which the management consider to be of low risk; other receivables are likewise considered to be low risk. Management do not consider that there is any concentration of risk within either trade or other receivables.

The Company performs an expected credit loss assessment for all trade receivables to calculate a provision for expected credit loss, based on historical credit loss information, current conditions and forecasts of future economic conditions. The simplified approach is used, in accordance with IFRS 9. The resulting provision in respect of outstanding balances at 31 December 2020 is not material.

Trade receivables are written off when there is no reasonable expectation of recovery; indicators of this include the counterparty going into administration or receivership.

Fevertree Germany Limited

Strategic report for the year ended 31 December 2020 (continued)

Principal risks and financial uncertainties – Continued

Credit risk (continued)

Credit risk on cash and cash equivalents is considered to be small as the counterparties are all substantial banks with high credit ratings.

It should be noted that as a limited risk distributor, any credit losses suffered by the Company would be reimbursed by a Group company.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. As the Company is a limited risk distributor, this risk is borne by other Group companies.

Market risk

Market risk arises from the Company's foreign currency financial instruments. It is the risk that the fair value, or future cash flows, of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company is subject to foreign currency exchange risk in its transactions because its business may involve transactions in currencies other than its functional currency. This risk is managed on a Group level.

Commercial and Operational risks

Political and Economic environment

A worsening of economic conditions would lead to reduced consumer confidence and spending which could impact demand for products and limitations on the Group's ability to increase or maintain the prices of its products in its key markets.

The UK's exit from the EU increases the risk of disruption to the supply chain, and, consequently, may impact the availability and price of raw materials and logistics particularly during this transitional phase.

In 2020, the Group's designated Brexit Committee continued to meet regularly to monitor, model and assess preparedness against the different potential scenarios related to the UK's exit from the European Union from January 2021. The Group's outsourced business model, manufacturing across three different sites in the UK and four in Europe, provides a strong degree of operational flexibility which underpins an ability to adapt our business operations to address and mitigate perceived Brexit risks. In addition to this, the Group has built contingency stocks of raw materials, packaging, and finished goods across both its UK and European regions and is well-placed to mitigate the impact of potential supply chain disruption following the UK's exit.

Disruption to outsourced production and logistics

The Company sources its products from the Group company Fevertree Limited, which relies on outsourced production and bottling partners. Therefore, the Company would be affected by any issues faced by the Group around production, bottling, storage or raw material supply.

The Company could be affected if there were to be a significant disruption to any of the Group's key raw material suppliers, production, storage, or distribution operations. In the event of such disruption the Group may not be able to arrange for alternative supply, production, storage, or distribution on as favourable terms, or with sufficient speed to ensure continuity of business.

Fevertree Germany Limited

Strategic report for the year ended 31 December 2020 *(continued)*

Principal risks and financial uncertainties – Continued

Disruption to outsourced production and logistics (continued)

To mitigate this risk, the Group continues to increase its footprint of outsourced production and now manufactures with seven different partners across the UK and Europe. In addition, the Group's principal UK bottling partner manufactures the Company's products across four bottling lines located in four distinct buildings across two separate sites. In respect of key ingredients, the Group requests, where appropriate, that its suppliers hold contingency stock, and alongside this the Group maintains elevated levels of stock of these key ingredients to allow sufficient buffer for continued production should there be a period of disruption in supply. In 2020, due to the combined impacts of COVID-19 and uncertainty as to the terms of the UK's withdrawal from the EU, the Group further increased contingency stock levels of these key ingredients. To further mitigate risk, alongside holding appropriate insurance cover, the Group operates a business continuity plan which monitors and seeks to improve the redundancy of supply and reduce lead times in the event of disruption in all aspects of the outsourced business model.

These measures implemented by the Group give the Company confidence that the risk of disrupted supply is mitigated and therefore that the Company will be able to continue sourcing products from Fevertree Limited.

Inconsistent quality or contamination of the Company's products

As above, the Company sources all its products from Fevertree Limited; thus it relies on the measures implemented by the Group to mitigate risks around quality and contamination, namely the employment of an experienced Technical and Quality Director and technical team, as well as a rigorous due diligence process for new manufacturers and suppliers.

COVID-19

At the start of the pandemic, we set up a cross-departmental team to co-ordinate the Group's response. Throughout the year, our asset light, outsourced business model provided us with the flexibility to react quickly to changing channel dynamics and consumer demand as well as the resilience to withstand the ongoing challenges posed by the pandemic. The way our team across the globe has adapted to working remotely and the commitment they have demonstrated through the year is a testament to the talent and dedication of our employees.

The On-Trade restrictions and closures resulting from the pandemic are subsiding in most of our key markets and we are seeing the benefits of our continued investment in our strong relationships with our partners in that channel. Even as the On-Trade has reopened, we have continued to see good momentum in the Off-Trade driven by increased adoption of long mixed drinking at home as spirits continue to take share from beer and wine and increased support from retailer and spirit partners. Consequently, we have further strengthened our market share across our regions which, along with supportive industry trends and the return of the On-Trade, gives us confidence as we look ahead.

Going concern

The Company is a subsidiary of Fevertree Drinks plc and participates in the Group's centralised treasury arrangements, sharing banking arrangements with its parent and fellow subsidiaries. The going concern assessment of the Company is therefore linked to that of the wider Fevertree Group.

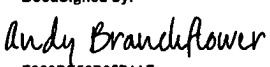
The Directors have considered the going concern assessment undertaken by Fevertree Drinks plc, which incorporated this Company and included modelling a number of scenarios in relation to the potential impact of COVID-19. Having considered this assessment the Directors have concluded that the Group and Company has sufficient financial resources in place at the balance sheet date such that it is reasonable to continue to adopt the going concern basis in preparing the financial statements for the year.

Fevertree Germany Limited

**Strategic report
for the year ended 31 December 2020 *(continued)***

Approval

This Strategic report was approved by order of the Board on 29/09/2021.

DocuSigned by:

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A Branchflower
Director

Fevertree Germany Limited

Directors' report for the year ended 31 December 2020

The Directors present their report together with the audited financial statements for the year ended 31 December 2020.

Results and dividends

The income statement is set out on page 10 and shows the profit for the year.

The Directors do not recommend the payment of a final dividend. No dividends were paid in the year.

The Company generated revenues for the year of €6,503.4k (2019: €12,401.2k). The profit for the year after taxation amounted to €104.3k (2019: €247.3k).

Directors

The Directors of the Company during the year were:

T D G Warrillow
A Branchflower

Directors' responsibilities

The Directors are responsible for preparing the Strategic report, the 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 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, comprising FRS 101 "Reduced Disclosure Framework" ("FRS 101"), 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 year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures explained in the financial statements; and
- 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.

The Directors have included information on likely future developments in the business of the Company and information in relation to financial risk management and exposure to certain risks and financial uncertainties in the Strategic report on pages 1 to 3.

Fevertree Germany Limited

Directors' report for the year ended 31 December 2020 *(continued)*

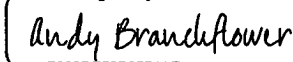
Auditor

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of its audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Approved on behalf of the Board

DocuSigned by:



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A Branchflower

Director

29/09/2021

Fevertree Germany Limited

Independent auditor's report to members of Fevertree Germany Limited

Opinion

We have audited the financial statements of Fevertree Germany Limited ("the Company") for the year ended 31 December 2020 which comprise the income statement, the statement of financial position and the statement of changes in equity, and the 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 Financial Reporting Standard 101 Reduced Disclosure Framework (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 2020 and of its profit 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.

Fevertree Germany Limited

Independent auditor's report to members of Fevertree Germany Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company. The most significant of these was considered to be the applicable financial reporting frameworks (International Accounting Standards in conformity with the Companies Act 2006, FRS 101 and Companies Act 2006) and relevant tax compliance regulations and food standards legislation in the jurisdictions in which the Company operates.

Fevertree Germany Limited

Independent auditor's report to members of Fevertree Germany Limited (*continued*)

Extent to which the audit was capable of detecting irregularities, including fraud – continued

- We assessed the susceptibility of the Company's financial statements to material misstatement, including understanding where and how fraud might occur.
- We obtained an understanding of the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error.
- Based on the understanding obtained we designed audit procedures to identify non-compliance with the laws and regulations, as noted above. This included enquiries of in-house legal counsel, Management, the Audit Committee, review of Board minutes, and correspondence with legal counsel and regulators.
- We tested journal entries, focusing on journal entries containing characteristics of audit interest, journals processed by users with privileged IT systems access rights and those relating to revenue.
- We tested and challenged the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Company.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://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.

DocuSigned by:
Diane Campbell
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Diane Campbell (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

29/09/2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Fevertree Germany Limited

Income statement for the year ended 31 December 2020

		2020	2019
	Note	€'000	€'000
Turnover	3	6,503.4	12,401.2
Cost of sales		(4,291.4)	(7,156.3)
Gross profit		2,212.0	5,244.9
Other operating income		533.6	601.4
Administrative expenses		(2,550.5)	(5,505.9)
Operating profit	5	195.1	340.4
Finance expense	6	(3.4)	(0.3)
Profit on ordinary activities before tax		191.7	340.1
Tax expense on ordinary activities	7	(87.4)	(92.8)
Profit and total comprehensive income for the year		104.3	247.3

The Company's trading activities were discontinued during the current year.

The notes on pages 13 to 20 form part of these financial statements.

Fevertree Germany Limited

Statement of financial position at 31 December 2020

Company number 11914001		2020	2019
	Note	€'000	€'000
Current assets			
Trade and other receivables	8	1,243.0	3,928.4
Cash and cash equivalents		331.9	4,850.0
Total current assets		1,574.9	8,778.4
Creditors: amounts falling due within one year	9	(1,223.3)	(8,531.1)
Net current assets		351.6	247.3
Total assets less current liabilities		351.6	247.3
Net Assets		351.6	247.3
Capital and reserves			
Share capital	10	-	-
Retained earnings	11	351.6	247.3
Total equity		351.6	247.3

The financial statements were approved by the Board of Directors and authorised for issue on 29/09/2021.

DocuSigned by:

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 A Branchflower
 Director

The notes on pages 13 to 20 form part of these financial statements.

Fevertree Germany Limited

Statement of changes in equity for the year ended 31 December 2020

	Share capital €'000	Retained earnings €'000	Total €'000
Equity as at 1 January 2019	-	-	-
Profit for the year	-	247.3	247.3
Equity as at 31 December 2019	-	247.3	247.3
Profit for the year	-	104.3	104.3
Equity as at 31 December 2020	-	351.6	351.6

The notes on pages 13 to 20 form part of these financial statements.

Fevertree Germany Limited

Notes forming part of the financial statements for the year ended 31 December 2020

1. Accounting policies

Fevertree Germany Limited is a private company, limited by shares, incorporated and domiciled in the United Kingdom and registered in England. The address of the registered office is given on the company information page.

The principal activity of the Company is that of distributor of premium mixer drinks.

Basis of preparation

The financial statements of Fevertree Germany Limited have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The Company's financial statements are presented in Euros.

In preparing these financial statements the Company has taken advantage of disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by IAS 1;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- certain disclosures required by IFRS 15 *Revenue from Contracts with Customers*;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with wholly owned fellow group companies.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Fevertree Drinks plc. These financial statements do not include certain disclosures in respect of:

- Share based payments;
- Business combinations;
- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value); Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- The disclosure of non-audit services.

Going concern

The going concern basis of preparation has been used for these financial statements. The Company is a subsidiary of Fevertree Drinks plc and participates in the Group's centralised treasury arrangements, sharing banking arrangements with its parent and fellow subsidiaries. The going concern assessment of the Company is therefore linked to that of the wider Fevertree Group.

The Directors have considered the going concern assessment undertaken by Fevertree Drinks plc, which incorporated this Company and included modelling a number of scenarios in relation to the potential impact of COVID-19 on the Group's cashflows for the period to the end of December 2022.

In completing this exercise, the Directors established there were no plausible scenarios that would result in the Group no longer continuing as a going concern.

Fevertree Germany Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

1. Accounting policies – Continued

Going concern (continued)

The Directors have therefore concluded that the Company has adequate resources to continue in operational existence for at least the 12 months following the approval of the subsidiary financial statements, that it is appropriate to continue to adopt the going concern basis of preparation in the financial statements, that there is not a material uncertainty in relation to going concern and that there is no significant judgement involved in making that assessment.

Turnover

Revenue is measured based on the consideration specified in a contract with a customer. There is only one type of product – premium carbonated mixers – thus the revenue recognition policy is consistent across all sales.

Revenue is recognised when the Company's performance obligations are fulfilled, i.e. when control over goods is transferred to customers. Customers obtain control of the goods when they are delivered to and have been accepted at their premises or made available for ex-works collection, depending on individual customer arrangements.

Invoices are generated at that point in time and are usually payable within 30 days. Revenue is recorded based on the price specified in sales invoices, net of any agreed discounts and rebates, and exclusive of value added tax on goods supplied to customers during the year.

There are a variety of discounts and rebates provided to customers, which are assessed on a case by case basis as to whether the resulting payment to customers is for a distinct good or service (such as marketing) or for a promotional discount. If a payment to a customer is judged to be for a distinct good or service, this is accounted for as a cost in administrative expenses. If the payment is judged to represent a discount, this is accounted for as a reduction in the underlying transaction price. Management will restrict revenue to the amount that is highly unlikely to subsequently be reduced by promotion or discount. Accruals are included in the consolidated statement of financial position in respect of expected amounts necessary to meet the claims of the Company's customers based on discount and rebate agreements in place. None of the discounts or rebates result in a material right being provided to the customer, as there are no cases where customers are given the option to purchase at a discount in the future as a result of their historical purchases.

Returns are permitted, but typically these only occur in isolated instances where inaccuracy has been made in the order.

Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when a present obligation exists for a future liability relating to a past event and where the amount of the obligation can be reliably estimated.

Financial assets

The Company classifies its financial assets into the categories, discussed below, based upon the purpose for which the asset was acquired. The Company has not classified any of its financial assets as fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Fevertree Germany Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

1. Accounting policies – Continued

Financial assets (continued)

Amortised Cost

The Company's assets at amortised cost comprise trade and other receivables included within the statement of financial position and cash and cash equivalents including cash held at bank.

Trade and other receivables are classified as financial assets at amortised cost as they are held only with the purpose of collecting the contractual cash flows. They arise principally through the provision of services to customers (e.g. trade receivables), where the contractual cash flows comprise only the invoiced amounts, but also incorporate other types of contractual monetary assets in which payments comprise only principal and interest. They are initially recognised at fair value plus, where relevant, directly attributable transactions costs and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised based on the expected credit loss model, with the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised separately in the income statement. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

Trade payables, other borrowings and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in line with those items.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and

Fevertree Germany Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

1. Accounting policies – Continued

Deferred taxation (continued)

- investments in subsidiaries and jointly controlled entities where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Foreign currency

The financial statements of the Company are presented in euros. The presentation currency of the financial statements is the same as the functional currency of the Company.

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates ("functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

2. Critical accounting estimates and judgements

Management has made estimates and accounting judgements within the financial statements; these are reviewed regularly and revisions to estimates are recognised prospectively. Judgement is involved in determining whether payments to customers are in exchange for a distinct good or service under IFRS 15 or are instead a reduction in transaction price. Management carefully assess what is received in each individual arrangement with customers to determine the correct accounting treatment. Third party evidence is obtained to corroborate the information provided by customers. In the absence of clear evidence to the contrary, payments to customers are recognised as reductions to revenue.

3. Turnover

A) Revenue streams

There is one revenue stream, being the sale of premium carbonated mixers in Germany.

	2020	2019
	€'000	€'000
Revenue arises from:		
Sale of goods	6,503.4	12,401.2

Fevertree Germany Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

3. Turnover - Continued

B) Contract balances

The following table provides information about receivables from contracts with customers.

€'000	Note	31 December 2020	31 December 2019
Receivables, which are included in "trade and other receivables"	8	157.4	1,650.0

No information is provided about remaining performance obligations at 31 December 2020 that have an original expected duration of one year or less, as allowed by IFRS 15.

4. Employees

All employees are employed and remunerated by other Group companies.

No Directors received any emoluments during the period. All Directors' remuneration was paid by the ultimate parent company Fevertree Drinks plc.

5. Operating profit

This has been arrived at after (crediting) / charging:

	2020	2019
	€'000	€'000
Management service charge receivable	(533.6)	(601.4)
Foreign exchange (gain)/loss	(0.1)	-
Discretionary marketing	1,191.0	2,820.6

Fees for the audit of this Company were borne by another Group company. The auditor remuneration for the audit of the Company was €14.0k (2019: €11.7k).

Other operating income comprises a management charge receivable from another subsidiary within the Group.

6. Finance expense

	2020	2019
	€'000	€'000
Finance expense		
Bank charges	3.4	0.3
	<u>3.4</u>	<u>0.3</u>

Fevertree Germany Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

7. Taxation

	2020	2019
	€'000	€'000
Current tax expense		
UK Corporation tax at 19.00%	36.4	48.2
Adjustments in respect of prior periods	16.4	-
Foreign taxation	34.6	44.6
	87.4	92.8

The difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit for the year is due to overseas tax in Germany, as outlined by the following table:

	2020	2019
	€'000	€'000
Profit of the year	191.7	340.1
Expected tax charge based on corporation tax rate of 19% in 2020 (19% in 2019)	36.4	48.2
Differences in overseas tax rates	34.6	44.6
Adjustments to tax charge in respect of previous periods	16.4	-
Total tax expense for the year	87.4	92.8

8. Trade and other receivables

	2020	2019
	€'000	€'000
Trade receivables	157.4	1,650.0
Intercompany receivables	779.2	-
Other receivables	229.5	2,147.0
Prepayments	-	131.4
Recoverable VAT	76.9	-
Total trade and other receivables	1,243.0	3,928.4

All amounts shown under debtors fall due for payment within one year.

Trade receivables are stated after the expected credit loss provision of €0.0k (2019: €125.5k).

There is no material difference between the net book amount and the fair value of current trade and other receivables due to their short-term nature.

There is no particular credit risk to the Company's trade receivables as these are residual balances with fellow group subsidiary, Global Drinks Partnership GmbH.

Fevertree Germany Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

8. Trade and other receivables - Continued

Expected credit loss assessment for customers

The following table provides information about the exposure to credit risk and ECLs (expected credit losses) for trade receivables. The simplified approach has been used, as permitted by IFRS 9.

31 December 2020	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
		€'000	€'000
Current (not past due)	0%	157.4	-
1-30 days past due	0%	-	-
31-60 days past due	0%	-	-
Over 60 days past due	0%	-	-

31 December 2019	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
		€'000	€'000
Current (not past due)	0%	-	-
1-30 days past due	0%	-	-
31-60 days past due	7%	1,775.5	125.5
Over 60 days past due	0%	-	-

Loss rates are based on actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Impaired debtors are only written off following the conclusion of administration proceedings.

9. Creditors: amounts falling due within one year

	2020	2019
	€'000	€'000
Trade payables	134.9	972.1
Intercompany payables	239.4	5,488.0
Other payables	339.1	1,570.9
Indirect tax liability	-	407.3
Accruals	383.6	-
Taxation	126.3	92.8
Total trade and other payables	1,223.3	8,531.1

Fevertree Germany Limited

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

10. Share capital

	2020 Number	2020 €	2019 Number	2019 €
Ordinary shares of €1.15 each				
At beginning of period	1	1.15	1	1.15
Issued during the year	-	-	-	-
At 31 December 2020	1	1.15	1	1.15

The ordinary shares have rights to vote and to participate in any dividends payable and rights to any payments on an exit event or on a return of capital as detailed in the Articles of Association.

11. Reserves

Retained earnings are the cumulative net profits in the statement of comprehensive income. Movements on these reserves are set out in the statement of changes in equity.

12. Events after the reporting period

There were no events after the reporting period to disclose.

13. Related party transactions

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 101 not to disclose transactions with Group entities.

There were no other related party transactions which occurred during the year.

14. Ultimate parent company

The immediate parent undertaking is Fevertree Europe Limited. The ultimate parent undertaking is Fevertree Drinks plc. The smallest and largest group in which the results of the Company are consolidated is that headed by Fevertree Drinks plc, incorporated in the United Kingdom. Copies of the Fevertree Drinks plc consolidated financial statements can be obtained from the Company Secretary at Kildare House, 3 Dorset Rise, London, EC4Y 8EN.