

Company Registration No. 03864219 (England and Wales)

**METRO DRINKS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
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# **METRO DRINKS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company in the year under review was that of the production and distribution of soft drinks.

#### **Highlights from the Directors' Report**

The company reported a 49% increase in turnover in 2021 over 2020, despite trading levels being over 50% down in the first five months due to a return of COVID 19 restrictions in the hospitality trade, together with a 15% recovery in operating margin and a three-fold increase in EBITDA. This has been achieved through strong brand performance during the summer from a reduced fixed overhead base.

The company repaid 25% of its COVID-19 Government supported borrowings during the period, amounting to £0.17M and still remained cash generative at the end of the year.

In addition, much of the company's export business to the EU has been passed over to its sister company based in The Netherlands which now operates as the company's warehousing and distribution hub on the continent of Europe. This company's turnover in the period amounted to Eur 132,376 and is not reflected in the accounts of Metro Drinks Limited as it is not part of a group, for consolidation purposes.

Global inflationary pressures throughout almost all commodities started to impact on the company's production costs as the world started to emerge from COVID-19. There have also been widely publicised shortages in freight capacity since mid 2021. While the impact of these have only started to be felt in the last quarter of 2021, we expect significant pressures on operating returns to persist throughout 2022.

At the date of this report, COVID-19 remains a global pandemic but restrictions in the UK have eased significantly which should help the company's trade customers return to previous levels of activity. On 24<sup>th</sup> February, the armed forces of the Russian Federation invaded Ukraine, in response to which many countries have sanctioned individuals and corporations associated with the current Russian leadership. The knock-on effect of this is likely to be higher energy prices which will impact both on the company's margins and its customers' cost of living.

#### **Directors**

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

P J Bendit

F K Bendit

#### **Voluntary energy and carbon report**

For the first time the Company is reporting the energy consumption of the Company for the year ended 31 December 2021.

##### Independent assessment

The report has been independently prepared and records the Company's Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Reporting Guidance'.

The GHG emissions have been assessed using the internationally recognised WRI GHG Protocol – Corporate Accounting and Reporting Standard, using the 2021 emission conversion factors published by the UK Government departments DEFRA and BEIS.

##### Organisational boundaries

The Operational Control approach has been selected as being the most appropriate for the established organisational boundaries.

# METRO DRINKS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### Operational scopes

Only Scope 1 and 2 emissions are required to be disclosed in this report, but the Company has voluntarily included the Scope 3 emissions that are generated by the Company's third-party operators and therefore indirectly and de facto produced by the Company. We believe it is correct and appropriate to include them as they make up the bulk of the Company's activities over which it has influence. These Scope 3 emissions are principally as follows:

Upstream emissions: Third party road, sea and rail freight emissions  
Business travel  
Emissions associated with energy supply (WTT & T&D)

Downstream emissions: Third party warehousing  
Third party delivery of finished goods to customers

#### Carbon Neutral certification

Total emissions assessed amount to 260 Tonnes for the 12 months ended 31<sup>st</sup> December 2021. The company has offset 100% of these emissions through two carbon offset schemes as shown below.

#### Breakdown of total emissions for the year ended 31 December 2021

Scope	Activity	Tonnes CO2e	Investment in Carbon offset
Scope 1	Company vehicle travel	4.907	Blue carbon project restoring 22 waterways and mangroves in the Cambodian tropical rainforest.
Scope 2	Purchase of electricity and heat (Location based)	2.294	
Scope 3	Downstream – delivery of goods to customers	34.720	
	Downstream - Third party warehousing	218.079	Reforestation of degraded agricultural and cattle grazing land in Uruguay
	Upstream – Third party transportation and storage		
	Upstream – Business travel and miscellaneous		
Total emissions		260.000	
Intensity ratios		Tonnes CO2e	Notes
1	GHG per 10,000 litres of drinks sold	1.627	All goods sold are liquid
2	GHG per 10,000 consumer units sold	0.454	All goods are for consumption
3	GHG per £10,000 spent on goods and operations	0.870	Product, distribution, warehousing, marketing, and administration
4	GHG per employee	32.500	All staff are full time
Total Energy Consumption		29,120 kWh	UK electricity, UK heating oil and Company car diesel

#### Energy efficiency actions

Only 2.8% of the Company's emissions fall under Scopes 1 and 2, with 97.2% falling under Scope 3, the majority of which are emitted by the third parties engaged by the Company in the course of its business.

The ability of the Company to achieve a future significant reduction in its Scope 1 and 2 emissions is restricted by current local planning and conservation laws (eg installation of solar panels on or within the curtilage of listed buildings). It is likely that only small step changes will be achieved over the coming years.

In so far as Scope 3 emissions are concerned, the Company continues to find ways to optimise its logistics to reduce the number of "food miles" (and associated emissions) involved in the transportation of materials and finished goods. These include sourcing raw materials from as close to the UK as possible, with currently 45% being grown in the UK and 44% in Europe, leaving just 11% from other continents.

# METRO DRINKS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The company also launched at the end of 2021, a new Carbon Impact Offset Scheme for its customers, called the Folkington's Climate Partnership. Membership of the scheme is currently available to selected customers and their own trade customers and enables the Company to allocate and retire Carbon Offset Credits bought by the Company with the aim of reducing the impact of the Carbon Footprint of the Company's sales chain. The scheme is separate to the Company's own carbon offset arrangements and is only for the benefit of its third-party customers and not the Company itself.

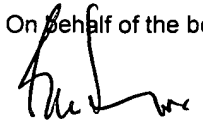
### **Auditor**

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

### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



P J Bendit  
**Director**

Date: 29 May 2022

# METRO DRINKS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	4		18,897		40,431
<b>Current assets</b>					
Stocks		1,653,803		1,636,088	
Debtors	5	728,663		331,074	
Cash at bank and in hand		143,747		261,951	
		<u>2,526,213</u>		<u>2,229,113</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(953,331)</u>		<u>(720,254)</u>	
<b>Net current assets</b>			<u>1,572,882</u>		<u>1,508,859</u>
<b>Total assets less current liabilities</b>			<u>1,591,779</u>		<u>1,549,290</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(763,793)		(955,464)
<b>Provisions for liabilities</b>			<u>(1,706)</u>		<u>(1,706)</u>
<b>Net assets</b>			<u>826,280</u>		<u>592,120</u>
<b>Capital and reserves</b>					
Called up share capital			8,942		8,942
Profit and loss reserves			<u>817,338</u>		<u>583,178</u>
<b>Total equity</b>			<u>826,280</u>		<u>592,120</u>

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

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 8 May 2022 and are signed on its behalf by:

  
P J Bendit  
Director

Company Registration No. 03864219

# METRO DRINKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Metro Drinks Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Workshop, Endlewick House, Arlington, Polegate, East Sussex, United Kingdom, BN26 6RU.

#### **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**

The directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

#### **1.3 Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### **1.4 Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and equipment	20% on cost
Fixtures and fittings	33% on cost
Computers	33% on cost
Motor vehicles	25% on cost

#### **1.5 Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

# METRO DRINKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### 1.6 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it related to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted

##### **Current tax**

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.7 Government grants

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. The grants received in the year relate to The Coronavirus Job Retention Scheme and Business Interruption Payments.

#### 1.8 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# METRO DRINKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3 Employees

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

	2021 Number	2020 Number
Total	8	13

#### 4 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2021	26,418	31,732	16,294	62,371	136,815
Additions	1,266	3,247	4,290	-	8,803
Disposals	-	-	(2,283)	(32,980)	(35,263)
At 31 December 2021	27,684	34,979	18,301	29,391	110,355
<b>Depreciation and impairment</b>					
At 1 January 2021	16,565	28,920	11,934	38,965	96,384
Depreciation charged in the year	5,410	2,052	2,837	7,234	17,533
Eliminated in respect of disposals	-	-	(2,283)	(20,176)	(22,459)
At 31 December 2021	21,975	30,972	12,488	26,023	91,458
<b>Carrying amount</b>					
At 31 December 2021	5,709	4,007	5,813	3,368	18,897
At 31 December 2020	9,853	2,812	4,360	23,406	40,431

#### 5 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	594,463	223,778
Other debtors	134,200	107,296
	728,663	331,074

Included within trade debtors above is an amount of £520,206 (2020: £207,854) covered under an invoice discounting facility.



# METRO DRINKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	197,018	136,778
Trade creditors	432,674	344,775
Corporation tax	71,542	16,789
Other taxation and social security	124,401	115,170
Other creditors	40,594	645
Accruals and deferred income	87,102	106,097
	<u>953,331</u>	<u>720,254</u>

Included with other creditors above are advances under an invoice discounting facility of £39,496 (2020: £Nil) which are secured on the trade debtors of the company. See other debtors note above for details of current year invoice discounting facility.

Included with bank loans and overdrafts is £146,081 (2020: £88,340) of Coronavirus Business Interruption Loans.

#### 7 Creditors: amounts falling due after more than one year

Notes	2021 £	2020 £
Bank loans and overdrafts	563,793	755,464
Other borrowings	<u>200,000</u>	<u>200,000</u>
	<u>763,793</u>	<u>955,464</u>

Other borrowings comprise an unsecured loan to the company from the ultimate controlling party P J Bendit with no fixed repayment date. During the year interest paid on this loan was £12,960.

Included with bank loans and overdrafts is £444,452 (2020: £584,660) of Coronavirus Business Interruption Loans.

#### 8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was John Howard and the auditor was Azets Audit Services.

# **METRO DRINKS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **9 Related party transactions**

At the year end ED Resources Limited, a company controlled by P Bendit, was owed £Nil by the company (2020: £689)

During the year the company incurred trademark costs from PJ and FK Partnership, in which P Bendit is a partner, totaling £32,571 (2020: £33,261). At the year end £Nil (2019: £Nil) was owed to PJ and FK Partnership.

During the year the company paid dividends to the directors totaling £80,000 (2020: £23,000). Directors remuneration for the year totalled £17,658 (2020: £17,686).

At the year end P Bendit owed £764 to the company (2020: £498).

During the year the company earned revenue from Folkington's Drinks B.V., a company in which P Bendit and F Bendit are also shareholders, totalling £63,931 (2020: £Nil). During the year the company incurred costs of £41,292 (£Nil) in relation to stock purchases. At the balance sheet date, the company was owed £84,987 (2020: £Nil) from Folkington's Drinks B.V., together with £17,130 of storage charges which haven't been re-charged at year-end.

### **10 Parent company**

The ultimate controlling party is P Bendit.