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Registered number: 09508939

UK VINTNERS (OF LONDON) PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

Sayers Butterworth LLP

UK VINTNERS (OF LONDON) PLC

Company Information

Directors	C B Agutter (appointed 25 March 2015) P A Solle (appointed 25 March 2015)
Registered number	09508939
Registered office	AMP House Dingwall Road Croydon Surrey CR0 2LX
Independent auditors	Sayers Butterworth LLP 3rd Floor 12 Gough Sqaure London EC4A 3DW

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Strategic report
For the Period Ended 31 December 2015

Introduction

The Directors' present their strategic report for the period ended 31 December 2015.

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

Business review

Although trading can only be measured over a 3-month period, we are satisfied, that following a slow start we have seen a steady increase in the number of private sales, order values and volume of cases sold, since commencement of trading in 2015.

Private sales account for the majority of the Company's profitable turnover which remained consist including December, which was a reduced trading period due to the festive break. As private client sales averaged 36 sales and 52 cases sold with turnover in excess of £300,000 per month for the last quarter 2015 and a monthly average of £290,000 from January to July 2016.

Our trade sales, although relevant to overall turnover have not been profitable; we have therefore decided to cease all trade sales from July 2016 until such time as we can create a dedicated team and time to market this service to other wine merchants, retail outlets and entertainment venues properly to increase volumes of business and profit margins.

Future development

UKV's proposed acquisition of two existing fine wine companies is now in the final stages, subject to final assessment of the goodwill value which includes the respective company's active client bases. Both Companies have a sizable databases and established client sales track records, which we believe will produce greater volumes of business, overall turnover and profits.

To increase client involvement and personal contact with UKV wine consultants, we have introduced client wine tasting luncheon events in selected central London restaurant venues. The aim is to give clients greater awareness of market trends, the opportunity to taste some of UKV's stock of wine or champagne and promote the UKV brand and the services we can provide. These events provide an opportunity for clients to meet one another and the UKV wine team and offers a group opportunity to highlight strategies and particular stock availability options.

As part of creating greater corporate brand awareness, we plan to secure a retail style outlet before the end of 2016, to increase private sales from personalised client meetings at the venue and create a closer relationship between new and existing clients and our team of wine consultants.

Since the beginning of 2016 UKV has adopted new marketing strategies, by outsourcing the task of creating a higher volume of business to a well-established marketing Company. The aim specifically is to attract new business, and the focus is on inbound enquiries from high net worth individuals. This strategy replaces the non-specific marketing campaigns and has raised the calibre of buyers, the type of wine being sold and increased average order values of purchases by new UKV clients.

Following lengthy negotiations with a firm of solicitors who operate an independent escrow facility, we introduced escrow payments for private client purchases from March 2016. This offers greater levels of security to client funds, and creates greater peace of mind for new and existing clients. The introduction of this new escrow service is a step towards greater compliance and ensures UKV adhere to anti-money laundering (AML) legislation and relevant know your client (KYC) practices.

The escrow facility enforces an order, supply and delivery chain and timeframe as funds are not released until the escrow provider is satisfied the stock sold is, either in stock and available for transfer as detailed in following Principal Risks and Uncertainties section.

During the last few months UKV have established a number of direct supply contacts with some small French vineyards, who can supply small quantities of low production, high quality wine. This will allow UKV to buy direct from source at lower prices which will increase profit margins and offer clients a wider selection of wine and champagne at competitive market prices.

Principal risks and uncertainties

The main risks associated with fine wine as a business are usually centred upon selection of the right stock and market awareness of the most popular wines being sold within the market at any given time or season. The UKV business model aims to overcome this exposure by limiting physical stock to minimum levels, unless there is a limited supply of a particularly popular wine or vintage that is in high demand. This policy will maintain cash flow and will allow the Company to move with market trends and periodic events that may affect buying and selling habits or cycles. In the main, UKV act as agents sourcing specific wine upon client request or pre selling wine that the Company may have access to through one of our trade suppliers.

Although there are other risks associated with the fine wine market, these are primarily connected to the logistics in the supply chain and timely fulfilment of orders placed by client and the fear that client payments are a risk should the Company fail to purchase the goods or complete a transaction.

To reduce this element of risk we only supply wine that is bottled and do not supply (En-Primeur) wine that is still in the barrel or held in vats at the vineyard. Our business model also dictates we adopt a policy of using only well-established trade suppliers, to ensure supply to UKV is safeguarded. Our use of bonded warehouse facilities is selected by virtue the bond warehouse is HMRC regulated and adheres to strict control and industry standards regarding storage and movement of stock.

In addition, UKV do not hold client stock for any period of time following purchase and insist clients open and operate their own private bonded warehouse account, either at London City Bond (LCB) or EHD of London. This ensures wine purchased though UKV is transferred directly into a client only controlled account, and client stock is held totally divorced from the UKV trade account within the bond. In addition, we encourage clients to utilise the bonded warehouse's online account facility, so they can monitor movements in and out and wine stock held within their private account.

The introduction of the independent escrow service in 2016 eradicates any possibility of funds being released to UKV unless we can prove stock is held at the time of the client order, or an order has been placed with one of UKV's established trade suppliers. The escrow facility has put in place an irrevocable undertaking with UKV and the client to fulfil each order within 28 working days upon the release of funds from the escrow service provider.

Although we envisaged an initial reduction of new business upon the introduction of the (FCA) registered escrow service, due to the additional necessity for all clients to be vetted by the escrow providers. We did not realise the full impact of this until the introduction of the new facility, as we encountered a number of teething problems with the execution of the escrow contracts, certified client identification documents and the general time frame lapse of the new purchase system.

This undoubtedly reduced levels of business for the initial 2 months, as the escrow provider requires each client to enter into an escrow contract and provide certified copies of documents to verify identity, residential status and banking details before any payment can be accepted by the escrow.

Although the introduction of this service has added greater protection for the client, this procedure has caused some new clients to cancel orders as the procedure appears daunting and complicates the purchase process. We have since agreed with the escrow provider that any new business of less than £5,000 will not be transacted through escrow, but any additional business conducted with the client will have to be fully compliant with the escrow procedure and the client will need to complete the relevant documentation and enter into a contract with the escrow company before making another purchase.

A longstanding but highly unlikely risk to the fine wine market could be any change in HMRC tax treatment or asset status of fine wine. A change of this nature would possibly make any profit realised by collectors taxable. However, any change of this type would have a positive upside to the industry as a change in asset status would likely remove the "wasting Asset" status of fine wine and therefore make it eligible within government incentivised SIPP and SASS schemes.

Change to our current EU membership and departure from the European Union is not likely to cause concern to the business as London is still viewed as the main centre of fine wine trade. According to independent press and industry reports 2016 has seen the most significant increase in fine wine prices and values since 2010. This news is likely to attract more new entrants to the marketplace and prospective clients to UKV as a wine Company, particularly with a level of public uncertainty around conventional markets. The forecast for 2017 is for further increases to wine values, which is likely to be triggered when the UK invoke article 50 as part of the UK's departure from Europe in early 2017.

Financial key performance indicators

The aim of the business is to maintain an overall minimum margin of 28%, to factor this we constantly look at the buy price of the goods and the cost attached to the sale of these goods.

1. Cost of goods - the buy price of the goods
2. Cost of sales - the cost attached to the sale of these goods

As the UKV business model minimises stock holding and is more about scouring the goods for orders placed the cash flow is easier to maintain. In addition, all sales transactions are made by self-employed or independent wine consultants, so commissions only become payable on completed sales transactions which greatly reduces any fixed payroll overheads when sales are not made.

Taking the above in to account, UKV measure business performance in simpler terms and use the following key factors to determine the growth and future viability of the business. As the product being sold requires a medium hold period by clients of 5 years' plus, client purchases only increase in volume and value as they begin to see an increase in the value of their wine holdings, new business is therefore paramount in the first 2-3 years of trading and where UKV are focusing attention upon to ensure the company builds a solid client base over the coming years.

We look primarily at the following factors to gauge performance and growth of the business.

1. Number of enquiries generated from marketing campaigns.
2. Cost of generating enquiries.
3. Conversion ratio of enquiries to sales orders.
4. Sales orders to completed transaction ratios.
5. Number of active clients within the client base.
6. Ratio of monthly transactions, new business to repeat business.
7. Average order/transaction value.
8. Average daily transaction values.

According to these records the number of sales enquires being generated from marketing campaigns remains constant, showing a monthly average of 192 new sales enquires. As expected, the cost of generating enquires for a new business remains high, with a cost per enquiry currently averaging £143 and an expense the Directors' aim to reduce this cost to under £100 per enquiry by modifying marketing campaigns as the company becomes established and the UKV brand awareness grows within the marketplace.

Our conversion of lead to enquiry has improved from 1 in 3.7 at commencement of trading to 1 in 2.7 and shows an average enquiry to sale ratio of 1 in 3 overall during the last quarter, a ratio equal to the global benchmark associated with highly successful, well established sales companies.

The Directors' are confident the business model and current sales strategy will continue to drive business forward as enquiry to completed sales transactions ratios have improved dramatically from 1 in 7 to 1 in 1.6 since commencement of trading and average 1 in 1.8 over the quarter.

Since commencement of trading the Company has attracted 82 clients, generating a total turnover of £1,134,200 with £451,240 of this being repeat business. The last quarter shows a good balance between new and repeat business sales, with new business accounting for 59.3% of total private sales income and repeat business at 40.7% a percentage that will automatically increase as the client base grows.

Our current average order value is £10,320 a figure we anticipate will increase as our client base increases and the balance of sales swing toward a higher percentage of higher value repeat business over smaller new business order values. The current average daily business transactions amount to £12,602 a figure that is forecast to increase as repeat business starts to dominate sales orders

Business performance

Overall sales have been in line with Directors expectations, with private sales totalling £1,134,200 made up of 110 separate private sales transactions and 192 cases sold to December 2015.

Client base growth is below our expectations and the primary reason for change in our marketing policy. The new outsourced marketing is projected to increase our new business and client base from the slow but steady upward trend since commencement of trading.

With a good proportion of turnover during the 3-month period being repeat business, we believe UKV is establishing client loyalty and building brand awareness which will produce a high degree solid repeat business over time and consistency in client buying trends returning to buy again.

Strategic report
For the Period Ended 31 December 2015

Period end position

During the initial period of trading from incorporation to 31 December 2015 the company has recognised a loss of £279,918.

The Directors plan to establish a European arm to the business within the coming months to create better stock purchasing opportunities with some of the French and Italian vineyard and direct purchase arrangements with European trade suppliers.

This report was approved by the board on 21 October 2016 and signed on its behalf.

P A Solle
Director

Directors' report
For the Period Ended 31 December 2015

The directors present their report and the financial statements for the period ended 31 December 2015.

Organisation and principal activity

UK Vintners (of London) Plc (the 'Company') was incorporated on 25 March 2015 and is involved in the acquisition and sale of fine wine and champagne.

Change of accounting period

The accounting period end was changed to 31 December 2015 from 31 March 2016, resulting in a period of 9 months.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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.

Results and dividends

The loss for the period, after taxation, amounted to £224,400.

There were no dividends paid or proposed during the period.

Directors

The directors who served during the period were:

C B Agutter (appointed 25 March 2015)
P A Solle (appointed 25 March 2015)

Directors' report (continued)
For the Period Ended 31 December 2015

Financial instruments

Objectives and policies
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet.

Price risk, credit risk, liquidity risk and cash flow risk
The business' principal financial instruments comprise bank balances, trade debtors and creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the timing of collecting debts and payment of liabilities. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of cash flow risk by the regular monitoring of amounts outstanding.

Creditors' liquidity is managed by ensuring sufficient funds are available to meet amounts due.

Matters covered in the strategic report

Disclosures of strategic importance that would usually be contained in the Directors' report are presented in the Strategic report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the period end.

Auditors

The auditors, Sayers Butterworth LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 21 October 2016 and signed on its behalf.

P A Solle
Director

Independent auditors' report to the shareholders of UK Vintners (of London) Plc

We have audited the financial statements of UK Vintners (of London) Plc for the period ended 31 December 2015, set out on pages 10 to 23. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the period 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.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the fact that the accounts are prepared on a going concern basis despite there being an excess of liabilities over assets. The directors and shareholders of the Company have stated that they will provide the Company with whatever financial support may be necessary in order to meet its liabilities as and when they fall due in the next 12 months. Without this support, and if the anticipated financial performance of the Company fails to materialise, the ability of the Company to continue as a going concern is not certain. Please refer to note 2.2.

Independent auditors' report to the shareholders of UK Vintners (of London) Plc (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with those financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Martin Dunne (Senior statutory auditor)

for and on behalf of
Sayers Butterworth LLP

3rd Floor
12 Gough Sqaure
London
EC4A 3DW

21 October 2016

Statement of comprehensive income
For the Period Ended 31 December 2015

	Note	2015 £
Turnover	4	1,135,769
Cost of sales		(1,008,297)
Gross profit		127,472
Administrative expenses		(407,390)
Operating loss	5	(279,918)
Tax on loss		55,518
Loss for the period		(224,400)
Total comprehensive income for the period		(224,400)

Balance sheet
As at 31 December 2015

	Note	£	2015 £
Current assets			
Stocks	9	23,530	
Debtors: amounts falling due within one year	10	111,913	
Cash at bank and in hand	11	99,711	
		235,154	
Creditors: amounts falling due within one year	12	(409,554)	
Net current liabilities			(174,400)
Total assets less current liabilities			(174,400)
Net liabilities			(174,400)
Capital and reserves			
Called up share capital	14		50,000
Profit and loss account	15		(224,400)
			(174,400)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 October 2016.

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

P A Solle
Director

The notes on pages 14 to 23 form part of these financial statements.

Statement of changes in equity
For the Period Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 25 March 2015	-	-	-
Comprehensive income for the period			
Loss for the period	-	(224,400)	(224,400)
Total comprehensive income for the period	-	(224,400)	(224,400)
Transactions with owners			
Shares issued during the period	50,000	-	50,000
Total transactions with owners	50,000	-	50,000
At 31 December 2015	50,000	(224,400)	(174,400)

The notes on pages 14 to 23 form part of these financial statements.

Statement of cash flows
For the Period Ended 31 December 2015

	25 March to 31 December 2015 £
Cash flows from operating activities	
Loss for the financial period	(224,400)
Adjustments for:	
Taxation	(55,518)
Increase in stocks	(23,530)
Increase in debtors	(18,895)
Increase in creditors	409,554
Net cash generated from operating activities	87,211
Cash flows from financing activities	
Issue of ordinary shares	12,500
Net cash used in financing activities	12,500
Net increase in cash and cash equivalents	99,711
Cash and cash equivalents at the end of period	99,711
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	99,711
	99,711

The notes on pages 14 to 23 form part of these financial statements.

Notes to the financial statements
For the Period Ended 31 December 2015

1. General information

UK Vintners (of London) Plc is a public company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The company is involved in the acquisition and sale of fine wine and champagne.

The Company's registered office is AMP House, Dingwall Road, Croydon, Surrey CR0 2LX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, despite there being an excess of liabilities over assets.

The directors have stated that they will provide financial support to the Company as and when required in order to enable it to meet its liabilities as and when they fall due, for a period of at least 12 months from the date of the audit report. The directors also anticipate that the financial performance of the Company in the twelve months following the approval of these financial statements will be strong enough to support the Company's cashflows.

Based on this, the directors believe that it is appropriate to prepare the financial statements on a going concern basis and these financial statements do not include any adjustments which would result from a failure to provide support or achieve anticipated results.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment and amounts received.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty or notice of not more than 24 hours.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayble or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables,

2. Accounting policies (continued)

2.7 Financial instruments (continued)

are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.8 Creditors

Short term creditors are measured at the transaction price less amounts repaid.

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether there are any circumstances regarding a customer's inability to meet its financial obligation and whether a provision is required against the debt. Factors taken into consideration in reaching such a decision are potential prevailing economic conditions in the industry and their potential impact on the company's customers.

- Determine whether there are any indicators of impairment of the group's stock held. Factors taken into consideration in reaching such a decision include the demand and quality of the product.

4. Turnover

An analysis of turnover by class of business is as follows:

	25 March to 31 December 2015 £
Sale of goods	1,134,200
Commissions	1,569
	1,135,769

All turnover arose within the United Kingdom.

5. Operating loss

During the period, no director received any emoluments.

6. Auditors' remuneration

	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,700

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

8. Taxation

	2015 £
Total current tax	**-**
Deferred tax	
Origination and reversal of timing differences	**(55,518)**
Total deferred tax	**(55,518)**
Taxation on loss on ordinary activities	**(55,518)**

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2015 £
Profit on ordinary activities before tax	**(279,918)**
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	**(55,984)**
Effects of:	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**466**
Total tax charge for the period	**(55,518)**

Factors that may affect future tax charges

Subject to approval from HMRC, the Company has trading losses of £277,592 that can be offset against future trading profits.

9. Stocks

	2015
	£
Stocks	23,530
	23,530

Stock recognised in cost of sales during the period as an expense was £843,883.

10. Debtors

	2015 £
Trade debtors	3,000
Other debtors	2,710
Called up share capital not paid	37,500
Prepayments and accrued income	13,185
Deferred taxation	55,518
	111,913

Included above are £43,210 of financial assets that are debt instruments measured at amortised cost.

11. Cash and cash equivalents

	2015 £
Cash at bank and in hand	99,711
	99,711

12. Creditors: Amounts falling due within one year

	2015 £
Trade creditors	192,903
Accruals and deferred income	216,651
	409,554

Included above are £209,028 of financial liabilities measured at amortised cost.

13. Deferred taxation

	2015
	£
Charged to the profit or loss	**55,518**
At end of year	**55,518**

The deferred tax asset is made up as follows:

	2015
	£
Tax losses carried forward	**55,518**
	55,518

14. Share capital

	2015
	£
Shares classified as equity	
Allotted, called up and partly paid	
50,000 Ordinary shares of £1 each	**50,000**

50,000 £1 Ordinary shares were issued on incorporation on 28 March 2015 at par value. Of the amount called up £12,500 was paid on issue, with the balance of £37,500 included in other debtors.

Ordinary shares have full rights in the company with respect to voting, dividends and distributions.

15. Reserves

Profit and loss account

The profit and loss account reserve represents the current period retained profit, all retained profits and losses are distributable.

16. Related party transactions

During the period to 31 December 2015 the company made sales to Selective Introductions Limited, a company under the control of a director, amounting to £128,796. As at 31 December 2015 £128,796 remained outstanding and was provided for in full. During the same period the company purchased goods from Selective Introductions to the value of £18,142 and sales commissions of £15,990 were payable. At the 31 December 2015 the company owed Selective Introductions £34,132.

During the period to 31 December 2015 the company made sales to Vintage Bordeaux Limited, a company under the control of a close family member of a director, amounting to £113,480. As at 31 December 2015 £113,480 remained outstanding and was provided for in full. During the same period the company purchased goods from Vintage Bordeaux Limited to the value of £5,205 and at 31 December 2015 owed them £5,205.

During the period to 31 December 2015 the company made sales to a close family member of a director amounting to £900. At the period end £900 was owed to the company.

Sales and purchases between related parties are made at normal market prices. All balances due to and from related parties at the period end are interest free and repayable on demand.

17. Controlling party

The ultimate controlling party is P Solle, a director and the sole shareholder.

Registered number: 09508939

UK VINTNERS (OF LONDON) PLC

DETAILED ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

Detailed profit and loss account
For the Period Ended 31 December 2015

	Note	25 March to 31 December 2015 £
Turnover		1,135,769
Cost of sales		(1,008,297)
Gross profit		127,472
Less: overheads		
Administration expenses		(407,390)
Operating loss	5	(279,918)
Tax on profit on ordinary activities		55,518
Loss for the period		(224,400)

Schedule to the detailed accounts
For the Period Ended 31 December 2015

Turnover

	25 March to 31 December 2015 £
Sales	1,134,200
Commissions	1,569
	1,135,769

Cost of sales

	25 March to 31 December 2015 £
Purchases	867,413
Closing stocks	(23,530)
Other direct costs	164,414
	1,008,297

Schedule to the detailed accounts
For the Period Ended 31 December 2015

Administration expenses

	25 March to 31 December 2015 £
Staff training	3,750
Hotels, travel and subsistence	745
Consultancy	28,185
Printing and stationery	4,452
Postage	2,625
Telephone and fax	14,256
Computer costs	8,948
Administration fees	9,315
Advertising and promotion	20,781
Legal and professional	3,870
Auditors' remuneration	11,700
Auditors' remuneration - non-audit	2,300
Bank charges	165
Bad debts	262,276
Rent	27,298
Office expenses	1,024
Recruitment fees	5,700
	407,390