

Company number 1360434

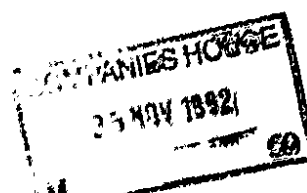
HALEWOOD VINTNERS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 JANUARY 1992

ROBSON RHODES  
Chartered Accountants

Internationally  
DUNWOODY ROBSON McGLADREY & PULLEN



# HALEWOOD VINTNERS LIMITED

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HALEWOOD VINTNERS LIMITED

COMPANY INFORMATION

Directors	Mr J E Halewood (Chairman and Managing Director) Mrs E M Halewood Mr R V Rishworth Mrs A M Halewood
Secretary	Mrs A M Halewood
Registered office	The Sovereign Winery Roberttown Lane Roberttown LIVERSEDGE West Yorkshire WF15 7LL
Auditors	Robson Rhodes Chartered Accountants St. George House 40 Great George Street LEEDS West Yorkshire LS1 3DQ
Bankers	Lloyds Bank plc 94 Fishergate PRESTON Lancashire PR1 2JB

## HALEWOOD VINTNERS LIMITED

### REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 31 January 1992.

#### PRINCIPAL ACTIVITIES

The company trades as wholesale wine and spirit merchants and also carries on the business of bottlers and blenders.

#### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors are pleased to report an increase of 50% in the operating profit for the year. During the year the company acquired an additional bonded warehouse and bottling plant at Warrington.

The directors anticipate that further growth will be achieved in the coming year and that the company will maintain the current level of profit.

#### RESULTS AND DIVIDEND

The profit for the year is disclosed on page 5.

The directors do not recommend the payment of a dividend and the retained profit for the year of £977,682 is transferred to revenue reserves.

#### FIXED ASSETS

The movements in fixed assets during the year are detailed in note 8 to the financial statements. The principal additions in the year have been additions to plant and machinery and motor vehicles.

#### DIRECTORS

The directors who held office at the date of this report are stated on page 1. All directors held office throughout the year, with the exception of Mrs A M Halewood who was appointed on 1 October 1991. The director retiring by rotation is Mr R V Rishworth, who, being eligible, offers himself for re-election. Mrs A M Halewood, having been appointed in the year, also retires and, being eligible, offers herself for re-election.

HALEWOOD VINTNERS LIMITED

REPORT OF THE DIRECTORS  
(continued)

DIRECTORS (continued)

The directors' interests in the ordinary shares of the company, as defined by the Companies Act 1985, were as follows:

	31 January 1992	31 January 1991
J E Halewood	90,000	90,000
Mrs E M Halewood	10,000	10,000
R V Rishworth	-	-
Mrs A M Halewood	-	- *

\* or date of appointment, if later.

AUDITORS

The auditors, Robson Rhodes, have indicated their willingness to remain in office and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

The report of the directors was approved by the board on 18 September 1992 and signed on their behalf by:



A M HALEWOOD

Secretary

REPORT OF THE AUDITORS  
TO THE MEMBERS OF HALEWOOD VINTNERS LIMITED

We have audited the financial statements on pages 5 to 15 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 January 1992 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ROBSON RHODES  
Registered Auditor  
Chartered Accountants

LEEDS  
18 September 1992

HALEWOOD VINTNERS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 1992

	Note	1992 £	1991 £
TURNOVER	2	51,729,629	34,646,272
Cost of sales		<u>(45,275,076)</u>	<u>(30,513,781)</u>
GROSS PROFIT		6,454,553	4,132,491
Selling and distribution costs		(3,709,140)	(2,324,052)
Administration expenses		<u>(717,005)</u>	<u>(462,825)</u>
OPERATING PROFIT	3	2,028,408	1,345,614
Interest receivable		988	9,042
Interest payable	5	<u>(545,733)</u>	<u>(442,911)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,483,663	911,745
Tax on profit on ordinary activities	6	<u>(505,981)</u>	<u>(317,000)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	<u>977,682</u>	<u>594,745</u>

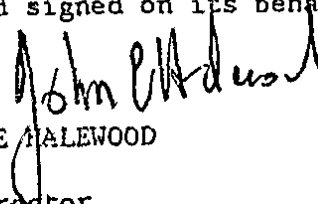
The notes on pages 8 to 15 form part of these financial statements

# HALEWOOD VINTNERS LIMITED

## BALANCE SHEET - 31 JANUARY 1992

	Note	1992 £	1991 £
<b>FIXED ASSETS</b>			
Intangible assets	7	112,500	-
Tangible assets	8	2,074,015	1,776,429
Investments	9	105,462	107,532
		<u>2,291,977</u>	<u>1,883,961</u>
<b>CURRENT ASSETS</b>			
Stocks	10	4,154,669	2,158,733
Debtors	11	6,390,334	4,231,277
Cash in hand		2,574	2,509
		<u>10,547,577</u>	<u>6,392,519</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	<u>(8,898,043)</u>	<u>(5,504,233)</u>
<b>NET CURRENT ASSETS</b>		<u>1,649,534</u>	<u>888,286</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,941,511	2,772,247
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	13	(868,619)	(676,037)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	(44,000)	(45,000)
		<u>3,028,892</u>	<u>2,051,210</u>
<b>CAPITAL AND RESERVES</b>			
<b>CALLED UP SHARE CAPITAL</b>	15	100,000	100,000
<b>RESERVES</b>			
Revaluation reserve	16	454,453	454,453
Profit and loss account	16	2,474,439	1,496,757
<b>SHAREHOLDERS' FUNDS</b>		<u>3,028,892</u>	<u>£ 2,051,210</u>

The financial statements were approved by the Board on 18 September 1992 and signed on its behalf by:

  
J E HALEWOOD

Director

The notes on pages 8 to 15 form part of these financial statements



# HALEWOOD VINTNERS LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 JANUARY 1992

SOURCE OF FUNDS	1992 £	1991 £
Profit from ordinary activities before taxation	1,483,663	911,745
Adjustment for items not involving the movement of funds:		
Loss/(profit) on disposal of investments	16,042	(550)
Depreciation of tangible fixed assets	259,212	167,781
Loss/(profit) on sale of tangible fixed assets	2,858	(10,890)
Amortisation of goodwill/trademarks	12,500	-
Provision against cost of investment	7,285	-
<b>FUNDS GENERATED FROM OPERATIONS</b>	<b>1,781,560</b>	<b>1,068,086</b>
<b>OTHER SOURCES</b>		
Hire purchase finance - net	-	75,518
Bank loan	1,000,000	-
Sale of tangible fixed assets	20,458	58,875
Proceeds from disposal of investments	1,208	25,000
<b>TOTAL FUNDS</b>	<b>2,803,226</b>	<b>1,227,479</b>
<b>APPLICATION OF FUNDS</b>		
Bank loan repayments	663,482	24,679
Purchase of tangible fixed assets	580,114	461,354
Purchase of investments	22,465	87,351
Purchase of goodwill/trademarks	125,000	-
Hire purchase - net	40,075	-
Corporation tax	134,692	63,001
Transfer of current element of bank loan to working capital	103,861	-
	<b>1,669,689</b>	<b>636,385</b>
<b>INCREASE IN WORKING CAPITAL</b>	<b>1,133,537</b>	<b>591,094</b>
<b>COMPRISING:</b>		
Increase in current assets:		
Stock	1,995,936	116,905
Debtors	2,159,057	346,263
(Increase)/decrease in current liabilities:		
Creditors	(3,407,835)	533,098
<b>Movement in net liquid funds</b>	<b>386,379</b>	<b>(405,172)</b>
	<b>1,133,537</b>	<b>591,094</b>

The notes on pages 8 to 15 form part of these financial statements

HALEWOOD VINTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 1992

1. ACCOUNTING POLICIES

(a) Convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards. The principal accounting policies which the directors have adopted within that convention are set out below.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:-

Freehold buildings	1% on cost or valuation
Leasehold buildings	Over lease period
Fixtures and fittings	15%/25% on cost
Plant and machinery	10%/15%/20% on cost
Motor vehicles	25% on cost

(c) Goodwill

Purchased goodwill is amortised over its expected useful life of 5 years on a straight line basis.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes any expenses incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less further costs of disposal.

(e) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

HALEWOOD VINTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 1992

1. ACCOUNTING (continued)

(f) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

(g) Hire Purchase

Where assets are financed by hire purchase the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. Future obligations are shown as a liability. The interest element of repayments made are charged to profit and loss account on a straight line basis.

Rentals payable under operating leases are charged to profit and loss account as incurred.

(h) Capital grants

Capital government grants received are treated as a deferred credit and released to profit and loss account over the expected useful life of the assets to which they relate.

(i) Pensions

The company operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost for the scheme represents contributions paid by the company in the year.

2. TURNOVER

Turnover comprises sales to customers less discounts and allowances and is net of value added tax.

# HALEWOOD VINTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1992 (continued)

3.	OPERATING PROFIT	1992 £	1991 £
	Operating profit is arrived at after charging:		
	Auditors' remuneration	11,500	10,750
	Depreciation of tangible fixed assets	259,212	167,781
	Operating lease rentals - motor vehicles	67,535	58,966
	Hire of plant, machinery and vehicles	102,361	54,966
	Amortisation of goodwill and trademarks	12,500	-
	Directors' emoluments:		
	Management remuneration	439,137	131,407
	Pension contributions	18,359	11,548
		<u>457,496</u>	<u>142,955</u>
	Emoluments excluding pension contributions:		
	Chairmen (and highest paid director)	<u>379,345</u>	<u>110,950</u>
	Number of other directors whose emoluments fall within the bands stated:	No	No
	£ 0 - £ 5,000	-	1
	£ 5,001 - £10,000	1	-
	£10,001 - £15,000	1	-
	£15,001 - £20,000	-	1
	£40,001 - £45,000	1	-
		<u>1</u>	<u>-</u>
4.	STAFF COSTS	£	£
	Wages and salaries	1,839,719	1,039,677
	Social security costs	142,523	94,371
	Pensions	30,597	22,253
		<u>2,012,839</u>	<u>1,156,301</u>
	The average weekly number of employees during the year was made up as follows:	No	No
	Administration	28	28
	Selling	16	16
	Warehouse and distribution	110	53
		<u>154</u>	<u>97</u>
5.	INTEREST PAYABLE	£	£
	Bank overdraft	364,760	275,118
	Hire purchase interest	19,818	13,154
	Interest on loan not wholly repayable within five years	110,748	112,008
	Interest on trade debt	49,532	41,935
	Other interest	875	696
		<u>545,733</u>	<u>442,911</u>

# HALEWOOD VINTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1992 (continued)

6.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1992 £	1991 £
	Based on the profit for the year:		
	Corporation tax at 33.2% (1991: 34.2%)	509,000	303,000
	Overprovision in prior year	(2,019)	-
	Deferred taxation at 33% (note 14)	(1,000)	14,000
		<u>505,981</u>	<u>317,000</u>
7.	INTANGIBLE FIXED ASSETS		
	Goodwill and Trade Marks	Cost/ Valuation £	Amortisation £
			Net Book Value £
	Additions in year	125,000	-
	Charged in year	-	12,500
		<u>125,000</u>	<u>12,500</u>
	At 31 January 1992	<u>125,000</u>	<u>112,500</u>
8.	TANGIBLE FIXED ASSETS	Cost/ Valuation £	Depreciation £
			Net Book Value £
	Freehold property:		
	At 1 February 1991	699,755	9,585
	Charge for the year	-	4,990
		<u>699,755</u>	<u>14,575</u>
	At 31 January 1992	<u>699,755</u>	<u>685,180</u>
	Long leasehold property:		
	At 1 February 1991	355,673	8,060
	Additions	18,467	-
	Charge for the year	-	6,622
		<u>374,140</u>	<u>14,682</u>
	At 31 January 1992	<u>374,140</u>	<u>359,458</u>
	Fixtures and fittings:		
	At 1 February 1991	214,736	89,230
	Additions	88,947	-
	Charge for the year	-	54,191
		<u>303,683</u>	<u>143,421</u>
	At 31 January 1992	<u>303,683</u>	<u>160,262</u>
	Plant and machinery:		
	At 1 February 1991	456,768	79,487
	Additions	368,469	-
	Disposals	(4,467)	(312)
	Charge for the year	-	106,550
		<u>820,770</u>	<u>185,725</u>
	At 31 January 1992	<u>820,770</u>	<u>635,045</u>
	Motor vehicles:		
	At 1 February 1991	347,420	111,561
	Additions	104,231	-
	Disposals	(40,802)	(21,641)
	Charge for the year	-	86,859
		<u>410,849</u>	<u>176,779</u>
	At 31 January 1992	<u>410,849</u>	<u>234,070</u>
	Totals:		
	At 31 January 1992	<u>2,609,197</u>	<u>535,182</u>
	At 31 January 1991	<u>2,074,192</u>	<u>297,923</u>
			<u>1,776,429</u>

# HALEWOOD VINTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1992 (continued)

### 8. TANGIBLE FIXED ASSETS (continued)

The net book value of fixed assets of £2,074,015 includes an amount of £190,214 (1991: £204,695) in respect of assets held under hire purchase contracts. Depreciation charged in respect of these assets was £60,320 (1991: £44,773).

	1992	1991 £
Freehold property is stated:		
Valuation 1989	650,000	650,000
Cost	49,755	49,755
	<u>699,755</u>	<u>699,755</u>

The comparable amounts for freehold property, if stated under the historical cost convention, would be:

	1992 £	1991 £
Cost	348,791	348,791
Depreciation	(13,542)	( 10,054)
Net book values at 31st January	<u>335,249</u>	<u>338,737</u>

Leasehold property is stated:

At valuation	260,000	260,000
Cost	114,140	95,673
	<u>374,140</u>	<u>355,673</u>

The comparable amounts for leasehold property, if stated under the historical cost convention would be:

	1992 £	1991 £
Cost	274,140	255,673
Depreciation	(11,266)	( 5,057)
Net book values at 31 January	<u>262,874</u>	<u>250,616</u>

9. INVESTMENTS	Quoted Investments £	Unquoted Investments £	Race Horses £	Total £
Cost:				
At 1 February 1991	622	32,495	74,415	107,532
Additions	-	11,440	11,025	22,465
Disposals	-	-	(17,250)	(17,250)
Provision	-	-	(7,285)	(7,285)
At 31 January 1992	<u>622</u>	<u>43,935</u>	<u>60,905</u>	<u>105,462</u>

The provision has been made to reduce the cost of one racehorse to its net realisable value.

	1992 £	1991 £
Market value - quoted	<u>486</u>	<u>489</u>

# HALEWOOD VINTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1992 (continued)

### 9. INVESTMENTS (continued)

The company owns the entire ordinary share capital of Charlie Richards Limited which is incorporated in England. The company has not traded in the year and therefore consolidated financial statements have not been prepared. The cost of the investment of £6,259 is included in Unquoted Investments.

10. STOCKS	1992 £	1991 £
Goods for resale	3,336,249	1,727,894
Raw materials	287,783	116,402
Consumables	368,422	179,027
Work in progress	162,215	135,405
	<u>4,154,669</u>	<u>2,158,733</u>

The directors consider that the replacement cost of the company's stocks is not materially different to the book value.

11. DEBTORS	1992 £	1991 £
Trade debtors	6,260,189	4,155,862
Other debtors	63,512	17,711
Prepayments	66,633	51,704
	<u>6,390,334</u>	<u>4,231,277</u>

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Corporation tax	721,161	348,872
Hire purchase finance	77,215	75,993
Trade creditors	4,494,426	1,823,788
Other taxes and social security costs	1,105,443	788,887
Other creditors	-	4,414
Accruals	625,701	201,868
Bank overdraft	1,770,236	2,220,616
Bank loans - current element	103,861	39,795
	<u>8,898,043</u>	<u>5,504,233</u>

The bank borrowings are secured by a fixed charge over the company's freehold and leasehold properties and book debts together with a floating charge over all other assets of the company.

# HALEWOOD VINTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1992 (continued)

13.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1992 £	1991 £
	Bank business loan	832,551	234,337
	Bank term loan	-	365,557
	Hire purchase finance	36,068	76,143
		<u>868,619</u>	<u>676,037</u>

The bank business loan is repayable over seven years by equal monthly instalments, terminating in 1998, at a rate of interest of 2½% above the Lloyds Bank plc base rate.

The bank loan is secured by fixed charges over the company's freehold and leasehold properties and book debts together with and a floating charge over all other assets of the company.

Hire purchase agreements are at variable rates of interest. Payments are made monthly and under the terms of the present agreements the liability will be cleared by December 1993.

	1992 £	1991 £
Amounts falling due for repayment after five years:		
Bank business loan	253,341	110,663
Bank term loan	-	246,222
	<u>253,341</u>	<u>356,885</u>

### 14. DEFERRED TAXATION

At 1 February	45,000	31,000
Profit and loss account: (Credit)/charge for the year	(1,000)	14,000
At 31 January	<u>44,000</u>	<u>45,000</u>

The deferred taxation balance represents:

Accelerated capital allowances	<u>44,000</u>	<u>45,000</u>
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The provision for deferred taxation does not include any liability relating to the surplus on the property valuations. It is anticipated that no tax liability would arise on the disposal of the property at its revalued amount, due to the expected reliefs for investing in replacement assets.



# HALEWOOD VINTNERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 1992 (continued)

15.	SHARE CAPITAL	1992 £	1991 £
	Authorised:		
	Ordinary shares of £1 each	250,000	250,000
	Issued and fully paid:		
	Ordinary shares of £1 each	100,000	100,000
16.	RESERVES	Revaluation reserve £	Profit and loss account £
	At 1 February 1991	454,453	1,496,757
	Retained profit for the year	-	977,682
	At 31 January 1992	454,453	2,474,439
17.	COMMITMENTS		
	CAPITAL		
	Contracted	Nil	Nil
	Authorised by the directors but not contracted for	Nil	Nil
	LEASES		
	The annual commitment under operating leases for motor vehicles is £71,022 (1991: £53,966). The leases expire between two and five years.		
18.	DIRECTOR'S LOAN		
	During the year Mr J E Halewood's current account with the company was overdrawn to a value of £46,335. The overdrawn balance has been repaid since the year end.		