

QUELLYN ROBERTS (WINE MERCHANTS) LTD

COMPANY No. 1624893

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2006

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**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**DIRECTORS**

P Quellyn Roberts  
J A Mathias  
P L Clarke

**SECRETARY**

P Quellyn Roberts

**REGISTERED OFFICE**

21 Watergate Street  
Chester  
Cheshire  
CH1 2LB

**INDEPENDENT AUDITOR**

Meacher-Jones Hargreaves & Woods  
127 Boughton  
Chester  
Cheshire  
CH3 5BH

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	6	Profit and Loss Account
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	8	Statement of Total Recognised Gains and Losses
	9 to 17	Notes to the Accounts

The following do not form part of the statutory financial statements:

18	Trading and Profit and Loss Account
19	Profit and Loss Account Summaries

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**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

The Directors present their report and the audited financial statements of the company for the year ended 31st March 2006.

**DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the Directors are required to:-

- 1) select suitable accounting policies and then apply them consistently.
- 2) make judgements and estimates that are reasonable and prudent.
- 3) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditors is unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**PRINCIPAL ACTIVITIES**

The principal activities of the company during the year was that of wine merchants

**BUSINESS REVIEW**

The company has made a smaller loss on ordinary activities than last year and the directors hope next year the company will make a profit.

**RESULTS AND DIVIDENDS**

	2006	2005
	£	£
Profit/(Loss) after tax for the year	18,227	(2,282)

The Directors do not recommend the payment of a dividend.

**FIXED ASSETS**

Movements in fixed assets during the year are shown in the notes to the accounts.

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**DIRECTORS AND DIRECTORS' SHAREHOLDINGS**

The Directors who served during the year are shown below.

P Quellyn Roberts  
J A Mathias  
P L Clarke

The Directors' beneficial interests in the issued ordinary share capital were as follows:

	31.03.06 £1 Shares Fully Paid	1.04.05 £1 Shares Fully Paid
Paul Quellyn Roberts	1	1

**THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE PARENT COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:-

		2006 £	2005 £
P Quellyn Roberts	Ordinary shares	27,698	27,698
	Preference shares	30,000	30,000
J A Mathias		0	0
P L Clarke		0	0

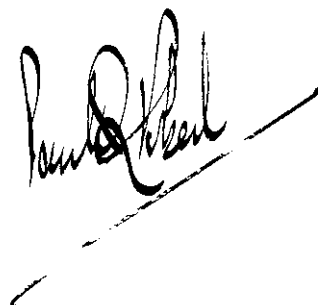
**INDEPENDENT AUDITOR**

The independent auditors, Meacher-Jones Hargreaves & Woods , will be proposed for reappointment at the forthcoming annual general meeting.

This report was approved by the Board on and signed on its behalf.

Signed

P Quellyn Roberts  
Company Secretary



**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**AUDITORS' REPORT TO THE MEMBERS OF QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

We have audited the Financial Statements of Quellyn Roberts (Wine Merchants) Limited for the year ended 31st March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. 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 Director and Auditors**

The Directors' responsibilities for the preparing the Financial Statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if in our opinion the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and other transactions is not disclosed.

We read the Directors Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, with respect to stock having a carrying amount of £109,532, the evidence available to us was limited because we did not observe the counting of the physical stock as of 31 March 2006, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient audit evidence regarding the stock quantities by using other audit procedures. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

QUELLYN ROBERTS (WINE MERCHANTS) LTD  
AUDITORS' REPORT TO THE MEMBERS OF QUELLYN ROBERTS (WINE MERCHANTS) LTD (CONTINUED)  
FOR THE YEAR ENDED 31ST MARCH 2006

**Qualified opinion arising from limitation of audit scope.**

Except for the financial effects of such adjustment, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the physical stock quantities, in our opinion

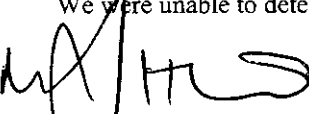
the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31st March 2006, and of its loss for the year then ended

the financial statements have been properly prepared in accordance with the Companies Act 1985; and the information given in the Directors Report is consistent with the financial statements.

In respect solely of the limitation on our work relating to stock:-

We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

We were unable to determine whether proper accounting records had been maintained.



Meacher-Jones Hargreaves & Woods  
Chartered Accountants & Registered Auditors  
Richmond Place  
127 Boughton  
Chester  
Cheshire  
CH3 5BH

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

	Notes	2006 £	2005 £
Turnover	1	450,033	497,844
Cost of sales		(349,293)	(390,927)
<b>Gross profit</b>		<hr/> 100,740	<hr/> 106,917
Other operating income		23,286	23,445
Operating expenses (net)	2	(148,136)	(156,080)
<b>Operating loss</b>		<hr/> (24,110)	<hr/> (25,718)
Management charges receivable	3	25,000	25,000
Interest payable	4	(2,442)	(1,564)
<b>Loss on ordinary activities before taxation</b>	6	<hr/> (1,552)	<hr/> (2,282)
Taxation	7	19,780	-
<b>Profit/(Loss) on ordinary activities after taxation</b>		<hr/> <hr/> 18,227	<hr/> <hr/> (2,282)

All of the Company's activities are classed as continuing.

The notes on pages 9 to 17 form part of these accounts

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**BALANCE SHEET**  
**AT 31ST MARCH 2006**

	Notes	At 31.03.06 £	At 31.03.05 £
<b>Fixed assets</b>			
Tangible assets	8	333,299	333,430
<b>Current assets</b>			
Stock	9	109,532	106,221
Debtors	10	14,567	29,507
Cash in hand		550	550
		124,649	136,278
<b>Creditors: amounts falling due within one year</b>	11	181,954	175,356
<b>Net current liabilities</b>		(57,305)	(39,078)
<b>Total assets less current liabilities</b>		275,994	294,352
<b>Creditors: amounts falling due after more than one year</b>	12	375,571	392,510
<b>Provisions for liabilities and charges</b>	13	(19,780)	-
<b>Net liabilities</b>		£ (79,798)	£ (98,158)
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Revaluation reserve	15	133	-
Profit and loss account		(80,031)	(98,258)
<b>Shareholders' funds - all equity interests</b>		£ (79,798)	£ (98,158)

Signed on behalf of the Board

.....  
P Quellyn Roberts

The notes on pages 9 to 17 form part of these accounts



**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

	2006 £	2005 £
Profit/(Loss) for the financial year after taxation	18,227	(2,282)
Unrealised surplus on revaluation of property	133	-
Total recognised gains relating to the year	<u>18,360</u>	<u>(2,282)</u>

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material.

The notes on pages 9 to 17 form part of these accounts

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**1. ACCOUNTING POLICIES**

The principal accounting policies have changed from the previous year and are set out below:-

**1a. Basis of accounting**

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting and financial reporting standards.

The company meets its working capital requirements through a combination of bank overdrafts and through support from group companies. The company's ability to continue trading is dependent upon the continued support of its bankers and group companies. On this basis, the directors consider it appropriate to prepare financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of support from the company's bankers and group companies.

**1b. Tangible fixed assets**

Fixed assets are shown at historical cost.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to properties	% on reducing balance	2
Fixtures and fittings	% on reducing balance	20
Equipment	% on reducing balance	20

**1c. Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis, including transport. Net realisable value is based on estimated selling price less any further costs of realisation.

**1d. Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is accounted for in accordance with the requirements of FRS 19.

**1e. Pension costs**

Retirement benefits to the Directors are provided by defined contribution scheme which is funded by contributions from the Company. Payments are made to Insurance Companies, and are charged against the income of the year in which they become payable.

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**1. ACCOUNTING POLICIES (CONTINUED)**

**1f. Turnover**

Turnover comprises the value (excluding VAT and similar taxes and trade discounts) of goods supplied and services provided in the normal course of business.

**1g. Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**1h. Revaluation reserve**

Surpluses or deficits arising on the revaluation of individual fixed assets other than investment properties are credited or debited to a non-distributable reserve known as the revaluation reserve.

Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the profit and loss account.

**1i. Cashflow Statements**

The Company takes advantage of the exemption in FRS 1 from producing a Cashflow Statement.

**2. OPERATING EXPENSES**

	2006 £	2005 £
Selling and marketing costs	14,454	15,660
Administrative expenses	133,418	139,706
Depreciation of tangible fixed assets	264	714
	<hr/> £ 148,136	<hr/> £ 156,080
	<hr/>	<hr/>

**3. MANAGEMENT CHARGES RECEIVABLE**

	2006 £	2005 £
Management charges receivable	25,000	25,000
	<hr/> £ 25,000	<hr/> £ 25,000
	<hr/>	<hr/>

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**4. INTEREST PAYABLE**

	2006 £	2005 £
Bank overdraft interest	2,442	1,564
	<u>£ 2,442</u>	<u>£ 1,564</u>

**5. DIRECTORS AND EMPLOYEES**

Particulars of remuneration paid to employees (including Directors) are shown below:-

Employee costs during the year amounted to:

	2006 £	2005 £
Wages and salaries	65,857	64,149
Social security costs	4,730	5,390
Pension contributions	-	1,614
	<u>£ 70,587</u>	<u>£ 71,153</u>

Details of Directors' emoluments were:

	2006 £	2005 £
Remuneration	6,000	16,000
Pension Contributions	-	1,614
	<u>£ 6,000</u>	<u>£ 17,614</u>

The average monthly numbers of employees were:

Sales assistants	<u>4</u>	<u>4</u>
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The average number of directors were:

Directors	<u>1</u>	<u>1</u>
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**6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2006 £	2005 £
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Rent receivable	(23,000)	(23,000)
Depreciation of tangible fixed assets	264	714
Bad Debts written off	827	493
Auditors' remuneration	<u>500</u>	<u>7,942</u>

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**7. TAXATION**

**(a) Analysis of the tax charge for the year**

	2006 £	2005 £
<u>Current tax:</u>		
UK Corporation tax		
Total current tax	-	-
<u>Deferred tax</u>		
Reversal of timing differences	(19,780)	-
Total deferred tax	(19,780)	-
Tax on loss on ordinary activities	£ (19,780)	£ -

**(b) Factors affecting the tax charge for the year**

The tax assessed for the year differs from that calculated using the standard small companies rate of corporation tax. The differences are explained below:

	2006 £	2005 £
Loss on ordinary activities before taxation	£ (1,552)	£ (2,282)
Profit on ordinary activities multiplied by the standard small companies rate of corporation tax	(295)	-
Effects of :-		
Capital allowances in excess of depreciation	(62)	-
Utilisation of tax losses	357	-
Current tax charge for the year	£ -	£ -

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**8. FIXED ASSETS**

Tangible Assets

	Investment Properties £	Improvements to Property £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>						
At 1st April 2005	329,867	2,954	16,034	9,451	5,700	364,006
Additions/Revaluations	133	-	-	-	-	133
At 31st March 2006	<u>330,000</u>	<u>2,954</u>	<u>16,034</u>	<u>9,451</u>	<u>5,700</u>	<u>364,139</u>

**Depreciation**

At 1st April 2005	-	413	15,324	9,139	5,700	30,576
Provided for the year	-	59	142	63	-	264
At 31st March 2006	<u>-</u>	<u>472</u>	<u>15,466</u>	<u>9,202</u>	<u>5,700</u>	<u>30,840</u>

**Net Book Values**

At 31st March 2006	<u>£ 330,000</u>	<u>£ 2,482</u>	<u>£ 568</u>	<u>£ 249</u>	<u>- £</u>	<u>333,299</u>
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At 31st March 2005	<u>£ 329,867</u>	<u>£ 2,541</u>	<u>£ 710</u>	<u>£ 312</u>	<u>- £</u>	<u>333,430</u>
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If the fixed asset investment had not been revalued it would have been included in the accounts at the following historical cost:-

	<b>2006</b> £	<b>2005</b> £
Investment properties	329,867	329,867

The investment properties were revalued on an open market basis during the year by JS Evans FRICS on behalf of Beresford Adams

**9. STOCK**

	<b>2006</b> £	<b>2005</b> £
Finished Goods	<u>109,532</u>	<u>106,221</u>
	<u>£ 109,532</u>	<u>£ 106,221</u>

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

10. DEBTORS	2006	2005
	£	£
Amounts falling due within one year:		
Trade debtors	14,408	28,638
Other debtors	-	390
Prepayments	159	479
	<hr/>	<hr/>
	£ 14,567	£ 29,507
	<hr/>	<hr/>

11. CREDITORS: Amounts falling due within one year	2006	2005
	£	£
Bank overdraft	48,333	52,309
Trade creditors	68,698	79,633
Taxation & Social Security	59,894	36,817
Accruals	5,029	6,597
	<hr/>	<hr/>
	£ 181,954	£ 175,356
	<hr/>	<hr/>

The bank overdraft is secured by a first legal charge dated 15 May 1990 over the company's freehold property.

12. CREDITORS: Amounts falling due after more than one year	2006	2005
	£	£
Other creditors due over 1 year	375,571	392,510
	<hr/>	<hr/>
	£ 375,571	£ 392,510
	<hr/>	<hr/>

The other creditors are amounts owing from related parties and as such are due as follows:-  
 Quellyn Roberts and Co £24,791  
 Eastwater Limited £350,780

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	2006	2005
	£	£
Deferred Taxation	(19,780)	-
	<u>£ (19,780)</u>	<u>£ -</u>

Deferred taxation

Deferred tax has been provided to the extent that the directors have concluded, on the basis of reasonable assumptions and the intentions of management, that it is probable that part of the asset will crystallise.

	2006	2005
	£	£
Excess of tax allowances over book depreciation of fixed assets	292	
Tax effect of losses carried forward	(20,071)	
	<u>£ (19,780)</u>	<u>£ -</u>

The movement on deferred taxation comprises:

Beginning of the year		
Charged to the profit and loss, in respect of:		
capital allowances	292	
Tax effect of losses carried forward	(20,071)	
End of year	<u>£ (19,780)</u>	<u>£ -</u>

**14. SHARE CAPITAL**

	2006	2005
	£	£
Authorised:		
1 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted, called-up and fully paid:		
1 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

**15. REVALUATION RESERVE**

	2006	2005
	£	£
Opening balance		
Adjustment for revaluation in year	133	
Property Revaluation reserve	<u>£ 133</u>	<u>£ -</u>

The revaluation reserve has occurred due to the revaluation of the investment properties in March 2006.



**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**16. SHAREHOLDERS' FUNDS**

Reconciliation of movements on Shareholders' funds

	2006	2005
	£	£
Profit/(Loss) for the year after taxation	18,227	(2,282)
Net addition/(reduction) to Shareholders' funds	18,227	(2,282)
Revaluation reserve	133	
Opening Shareholders' funds at 1st April 2005	(98,158)	(95,876)
Closing Shareholders' funds at 31st March 2006	£ (79,798)	£ (98,158)

**17. OTHER FINANCIAL COMMITMENTS**

Eastwater Limited has given an unlimited cross-quarantee in favour of HSBC Bank plc.  
Eastwater Limited is a fellow subsidiary of the ultimate parent undertaking.

**18. TRANSACTIONS WITH RELATED PARTIES**

The company was under the control of Mr Paul Quellyn Roberts throughout the current and previous year.  
Mr Paul Quellyn Roberts is the managing director of this company and the parent company, 'Quellyn Roberts and Co Ltd', it's majority shareholder.

Related Parties are identified as the Directors, fellow subsidiary and the holding company. Movements on the inter company account are as follows:-

Eastwater Limited

Balance brought forward debit/(credit)	(363,403)
Loan from Eastwater	(52,500)
Directors remuneration	41,713
Management charges	17,500
Rent and insurance received on behalf of Wine Merchants Limited	23,907
Other income/expenses recharged	(17,997)
	<u>(350,780)</u>

Quellyn Roberts & Co Limited

Balance brought forward debit/(credit)	(29,107)
Management fees	7,500
Directors fees	(3,185)
	<u>(24,792)</u>

**QUELLYN ROBERTS (WINE MERCHANTS) LTD**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

**19. ULTIMATE PARENT COMPANY**

The company is a subsidiary undertaking of Quellyn Roberts & Co a company registered in England and Wales. Quellyn Roberts & Co owns 99.8% of the issued share capital of the company at 31 March 2006.