

REGISTERED NUMBER: 04376226 (England and Wales)

LAYTONS WINE SERVICES LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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LAYTONS WINE SERVICES LIMITED

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for the Year Ended 31 March 2018**

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LAYTONS WINE SERVICES LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2018

DIRECTORS:	P C Rich H F D Sturges P J B Mitchell C J Pearce
SECRETARY:	Mrs C A Hall
REGISTERED OFFICE:	43 Portland Road London W11 4LJ
REGISTERED NUMBER:	04376226 (England and Wales)
SENIOR STATUTORY AUDITOR:	Theo Banos BA FCA
AUDITORS:	Duncan & Toplis Limited, Statutory Auditor 3 Castlegate Grantham Lincolnshire NG31 6SF
BANKERS:	HSBC Bank plc

LAYTONS WINE SERVICES LIMITED

STRATEGIC REPORT for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

REVIEW OF BUSINESS

As shown in the company's statement of comprehensive income on page 8, the company made a profit after tax of £98,807 (2017: £17,428).

The results for 2018 show positive performance in the face of the current challenging conditions confronting high street retail and the wider macro-economic environment.

Whilst we have been able to increase revenue by £1.9m (11%), our gross profit of £628k has remained static with last year (£626k). The reduced gross margin percentage is largely reflective of the fall in Sterling along with increases in logistics costs.

The above results have seen the net assets increase by £98,807 to £1,570,114.

DEVELOPMENT AND PERFORMANCE

The company continues to review the market places it operates within and places effort in areas with the most potential, and where it can see decent returns. It expects to see improved returns in the new financial year as the impact of Sterling weakness is mitigated.

Competition in both retail and the corporate market remain intense, however our extensive knowledge and experience of the UK wine market allows the business to continue growing.

The directors are pleased with the current balance sheet position which shows an improvement in both net current assets and cash. This will allow the company to consolidate its current business whilst looking out for opportunities for growth as they arise.

KEY PERFORMANCE INDICATORS

	2018 £'000	2017 £'000	% inc/(dec)
Revenue	18,946	17,040	11.2
Gross profit	628	626	0.4
Gross profit %	3.3	3.7	
Net profit before taxation	96	38	253.8
Earnings before interest, tax, depreciation and amortisation	246	172	42.9

LAYTONS WINE SERVICES LIMITED

STRATEGIC REPORT

for the Year Ended 31 March 2018

PRINCIPAL RISKS AND UNCERTAINTIES

Financial Instruments

The company's operations expose it to a variety of financial risks including the effect of changes interest rates on debts, foreign exchange rates, credit risk and liquidity risks.

The company's principal financial instruments comprise sterling cash and bank deposits, together with trade debtors and trade creditors that arise directly from its operations

The main risk arising from the company's financial instruments can be analysed as follows:

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. The company buys a significant amount of its goods from Europe and these purchases are transacted in Euro's. The company enters into forward exchange contracts with its bankers in order to protect the business against adverse currency movements in £/Euro.

Liquidity Risk

The company's policy has been to ensure continuity of funding through arranging funding for operations via medium-term loans and additional revolving credit facilities to aid short-term flexibility.

Credit Risk

The company's principal financial assets are bank balances and cash which represent the group's maximum exposure to credit risk in relation to financial assets.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

EU Referendum Result

Brexit is not expected to have a significant impact on the company in the short term. Whilst the outcomes are not yet clear, the company expects that any medium to long term implications will be manageable as it is well funded and has realistic growth plans.

ON BEHALF OF THE BOARD:



Mrs C A Hall - Secretary

Date: 14 August 2018

LAYTONS WINE SERVICES LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31 March 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the procurement, holding and sale of stock, and the provision of marketing and administration services to other trading companies.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2018.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

P C Rich
H F D Sturges
P J B Mitchell
C J Pearce

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

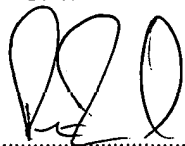
LAYTONS WINE SERVICES LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2018**

AUDITORS

The auditors, Duncan & Toplis Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'P C Rich', written over a dotted line.

P C Rich - Director

Date: 14 August 2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LAYTONS WINE SERVICES LIMITED**

Opinion

We have audited the financial statements of Laytons Wine Services Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LAYTONS WINE SERVICES LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

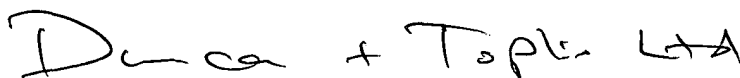
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.



Theo Banos BA FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Topliss Limited, Statutory Auditor
3 Castlegate
Grantham
Lincolnshire
NG31 6SF

Date: 14 August 2018

LAYTONS WINE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 31 March 2018

		2018		2017	
	Notes	£	£	£	£
TURNOVER	3		18,945,886		17,040,135
Cost of sales			<u>18,317,505</u>		<u>16,414,243</u>
GROSS PROFIT			628,381		625,892
Distribution costs		844,990		908,467	
Administrative expenses		<u>(335,805)</u>		<u>(402,563)</u>	
			509,185		505,904
			119,196		119,988
Other operating income			-		<u>6,238</u>
OPERATING PROFIT	5		119,196		126,226
Loss/(profit) on derivative forward contracts	6		<u>4,682</u>		<u>76,696</u>
			114,514		49,530
Interest payable and similar expenses	7		<u>18,828</u>		<u>11,823</u>
PROFIT BEFORE TAXATION			95,686		37,707
Tax on profit	8		<u>(3,121)</u>		<u>20,279</u>
PROFIT FOR THE FINANCIAL YEAR			98,807		17,428
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>98,807</u>		<u>17,428</u>

The notes form part of these financial statements

LAYTONS WINE SERVICES LIMITED (REGISTERED NUMBER: 04376226)

BALANCE SHEET
31 March 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	9	508,876	495,187
CURRENT ASSETS			
Stocks	10	3,114,054	2,978,815
Debtors	11	3,681,769	3,261,400
Cash at bank		<u>406,825</u>	<u>316,986</u>
		7,202,648	6,557,201
CREDITORS			
Amounts falling due within one year	12	<u>5,193,490</u>	<u>4,600,040</u>
NET CURRENT ASSETS		<u>2,009,158</u>	<u>1,957,161</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,518,034	2,452,348
CREDITORS			
Amounts falling due after more than one year	13	(940,000)	(970,000)
PROVISIONS FOR LIABILITIES	17	<u>(7,920)</u>	<u>(11,041)</u>
NET ASSETS		<u>1,570,114</u>	<u>1,471,307</u>
CAPITAL AND RESERVES			
Called up share capital	18	500,000	500,000
Retained earnings		<u>1,070,114</u>	<u>971,307</u>
SHAREHOLDERS' FUNDS		<u>1,570,114</u>	<u>1,471,307</u>

The financial statements were approved by the Board of Directors on 14 August 2018 and were signed on its behalf by:



.....
P C Rich - Director

The notes form part of these financial statements

LAYTONS WINE SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	500,000	953,879	1,453,879
Changes in equity			
Total comprehensive income	-	17,428	17,428
Balance at 31 March 2017	500,000	971,307	1,471,307
Changes in equity			
Total comprehensive income	-	98,807	98,807
Balance at 31 March 2018	500,000	1,070,114	1,570,114

The notes form part of these financial statements

LAYTONS WINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2018

1. STATUTORY INFORMATION

Laytons Wine Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain assets and financial instruments as specified in the accounting policies below.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. A new loan was received in 2017 from Jeroboams Limited for £1m repayable over 36 months. The company made a profit after tax of £99,807 and due to the fact that the loan is repayable on 31 March 2020 will enable the company to continue for at least 12 months from the signing date. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company is a subsidiary of Jeroboams Limited. Consolidated financial statements of Jeroboams Limited can be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the net realisable value of stock and slow moving stock provisions.

Turnover

Turnover represents the sale of wine to group companies net of value added taxes.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

Fixtures and fittings	3 - 15 years
Short leasehold property	Over the length of the lease

Stocks

Stocks are valued at the lower of cost, including customs duty, if any, and net realisable value. Included within stocks are goods held by overseas third parties which the company has contracted to purchase.

Stocks are accounted for on a first-in-first-out basis.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profit.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are present within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and deferred tax liability relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

Leased assets and obligations

All leases are "operational leases" and the annual rentals are charged to the statement of comprehensive income on a straight line basis over the lease term.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Short-term employee benefits

Short-term employment benefits are recognised as an expense in the period in which they are incurred.

Pension contributions

The company makes pension contributions to individuals' personal pension plans. These contributions are charged to the statement of comprehensive income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Derivative financial instruments

The company's primary objective in holding derivative financial instruments is to manage currency exchange rate risk. The company is exposed to currency exchange rate risk due to a significant proportion of its purchases being denominated in non-Sterling currencies. The company utilises forward currency contracts to offset this risk, all such contracts mature within 12 months. These forward contracts are recognised at fair value on each reporting date with any gains or losses being reported in the statement of comprehensive income.

The fair value is determined by Investec Bank plc.

Impairment of assets

At each reporting date, tangible fixed assets not carried at fair value, are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected assets (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

Similarly, at each reporting date, stocks are assessed for impairment by comparing the amount of each item of stock (or group of similar items) with its selling price less costs to complete and sell. If an item of stock (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the assets (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of stocks), but not in the excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Transactions and balances

In preparing the financial statements, transactions in currencies other than the functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

All turnover was generated in the United Kingdom.

LAYTONS WINE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2018**

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	794,127	896,474
Social security costs	87,454	102,402
Other pension costs	<u>13,339</u>	<u>12,418</u>
	<u>894,920</u>	<u>1,011,294</u>

The average number of employees during the year was as follows:

	2018	2017
Office and management	<u>15</u>	<u>14</u>

	2018	2017
	£	£
Directors' remuneration	<u>393,215</u>	<u>473,185</u>

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	<u>216,741</u>	<u>264,130</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	126,843	45,996
Foreign exchange differences	(35,723)	11,816
Auditor's remuneration - audit services	25,000	32,000
Auditor's remuneration - tax services	<u>5,000</u>	<u>15,500</u>

**6. LOSS/(PROFIT) ON DERIVATIVE
FORWARD CONTRACTS**

	2018	2017
	£	£
Loss on derivative forward contracts	<u>4,682</u>	<u>76,696</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Interest payable to related parties	<u>18,828</u>	<u>11,823</u>
	<u>18,828</u>	<u>11,823</u>

LAYTONS WINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2018

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
Adjustment re previous years	-	(3,849)
Deferred tax	<u>(3,121)</u>	<u>24,128</u>
Tax on profit	<u>(3,121)</u>	<u>20,279</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>95,686</u>	<u>37,707</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	18,180	7,541
Effects of:		
Expenses not deductible for tax purposes	330	45
Capital allowances in excess of depreciation	(5,127)	(104)
Adjustments to tax charge in respect of previous periods	-	14,205
Difference due to change in tax rates	-	(1,408)
Group relief claimed	<u>(16,504)</u>	<u>-</u>
Total tax (credit)/charge	<u>(3,121)</u>	<u>20,279</u>

LAYTONS WINE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2018**

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 April 2017	74,831	612,671	687,502
Additions	26,253	114,279	140,532
Disposals	-	(7,450)	(7,450)
At 31 March 2018	<u>101,084</u>	<u>719,500</u>	<u>820,584</u>
DEPRECIATION			
At 1 April 2017	44,550	147,765	192,315
Charge for year	8,066	118,777	126,843
Eliminated on disposal	-	(7,450)	(7,450)
At 31 March 2018	<u>52,616</u>	<u>259,092</u>	<u>311,708</u>
NET BOOK VALUE			
At 31 March 2018	<u>48,468</u>	<u>460,408</u>	<u>508,876</u>
At 31 March 2017	<u>30,281</u>	<u>464,906</u>	<u>495,187</u>

10. STOCKS

	2018 £	2017 £
Finished goods	<u>3,114,054</u>	<u>2,978,815</u>

Stock recognised as an expense during the year was £18,317,505 (2017: £16,414,243).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	22,128	35,808
Amounts owed by group undertakings	3,568,930	3,117,736
Other debtors	6,621	13,398
Prepayments and accrued income	84,090	94,458
	<u>3,681,769</u>	<u>3,261,400</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	2,789,156	1,895,846
Amounts owed to group undertakings	412,459	30,000
Other taxes and social security	420,950	399,372
Other creditors	1,173,825	1,265,275
Derivative forward contracts	24,457	19,775
Accruals and deferred income	372,643	989,772
	<u>5,193,490</u>	<u>4,600,040</u>

LAYTONS WINE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
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13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Amounts owed to group undertakings	<u>940,000</u>	<u>970,000</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	11,667	70,000
Between one and five years	<u>-</u>	<u>11,667</u>
	<u>11,667</u>	<u>81,667</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Group loans	<u>970,000</u>	<u>1,000,000</u>

The loan is secured by a fixed and floating charge over the company's assets.

16. FINANCIAL INSTRUMENTS

As at 31 March 2018 the fair value of forward foreign exchange contracts outstanding in the ordinary course of business amounted to a liability of £24,457 (2017: £19,775). The total value of outstanding commitments at 31 March 2018 was £2,650,000 (2017: £1,440,000). The outstanding contracts all mature within 5 months of the year end.

The fair value loss on forward exchange contracts taken to the statement of comprehensive income was £4,682 (2017: £76,696).

17. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax		
Accelerated capital allowances	9,938	13,059
Other timing differences	<u>(2,018)</u>	<u>(2,018)</u>
	<u>7,920</u>	<u>11,041</u>
		Deferred tax
		£
Balance at 1 April 2017		11,041
Utilised during year		<u>(3,121)</u>
Balance at 31 March 2018		<u>7,920</u>

LAYTONS WINE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2018**

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018	2017
Number:	Class:		£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

19. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Related party transactions not covered by the exemption are as follows:

	2018	2017
	£	£
Property service payments to a related company	103,546	152,196

The company paid rent to a company in which one of the directors has a material interest.

20. POST BALANCE SHEET EVENTS

During the year the contract for the lease in place for the offices occupied by the company expired. A new contract was signed for these premises on 23 May 2018 which runs till 31 May 2020 at an annual rent of £80,000.

21. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Holland Trading Limited, a company incorporated in Bermuda. The ultimate controlling party is Peter C Rich.