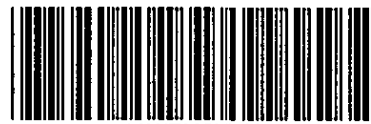


Registered number 00376920

Averys of Bristol Limited
Annual report and financial statements
For the period ended 1 July 2011

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Averys of Bristol Limited

Annual report and financial statements for the period ended 1 July 2011

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Company information

Directors

F J Avery
S N McMurtrie
C A Humphreys
J S Wright

Company secretary

G D Weir

Registered office

4 High Street
Nailsea
Bristol
BS48 1BT

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading
Berkshire
RG1 1JG

Bankers

Barclays Bank plc
3/5 King Street
Reading
Berkshire
RG1 2HD

Directors' report for the period ended 1 July 2011

The directors present their annual report and the audited financial statements of the company for the period ended 1 July 2011

Principal activities

The principal activity of the company during the period was the importing and distribution of wines

Review of business and future developments

The profit and loss account for the period is set out on page 6

Based on the sound foundations laid last year the financial performance of the company continued to improve with Operating Profit growing to £1,083,884 (2010 £870,938) Whilst cost pressure in The UK market continues with above inflation duty increases the company has managed to maintain overall margins The current trading period benefited from a buoyant market for En Primeur Bordeaux from both the 2009 and 2010 vintages

Direct Wines Holdings Limited, the company's parent undertaking, has indicated its intention to provide such ongoing financial support as is necessary for the company to continue in operation and to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements Accordingly the financial statements are prepared on the going concern basis Further information on the business review and risks of the Direct Wines Holdings Limited group are disclosed within the Direct Wines Holdings Limited annual report

The business monitors several key performance indicators which include key measures on productivity, cost, sales and margin

Results and dividends

The profit for the financial period was £647,334 (2010 £862,346)

The directors have not recommended a dividend (2010 £nil)

Directors

The directors of the company who were directors for the whole of the period, unless otherwise stated, and up to the date of signing the financial statements were

F J Avery
S N McMurtre
C A Humphreys
J S Wright

Financial risk management

Currency – the principal risk and uncertainty to the business is the fluctuation in currency exchange rates, this risk is managed and minimised by complying fully with the group currency hedging policy

Liquidity/cashflow – the company is reliant upon the continued support of the parent company, Direct Wines Holdings Limited The parent company has indicated its intention to provide such ongoing financial support as is necessary for the company to continue in operation for a period of no less than one year from the date of approval of these financial statements

Credit – The company has standard policies which set out specific guidance on how credit risk is managed

Directors' report for the period ended 1 July 2011 (continued)

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of the financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

This disclosure is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared 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

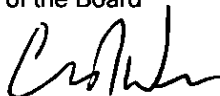
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Board



G D Weir

Company Secretary 19.09.11

Independent auditor's report to the members of Averys of Bristol Limited

We have audited the financial statements of Averys of Bristol Limited for the period ended 1 July 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities 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 Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 annual report to identify material inconsistencies with the audited financial statements. 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 1 July 2011 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent auditor's report to the members of
Averys of Bristol Limited (continued)**

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



Matthew Hall (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading, 19 September 2011

Profit and loss account for the period ended 1 July 2011

	Note	52 week period ended 1 July 2011 £	53 week period ended 2 July 2010 (as restated) £
Turnover	2	18,224,245	18,414,782
Cost of sales		(13,219,058)	(13,693,886)
Gross profit		5,005,187	4,720,896
Operating expenses	3	(3,921,303)	(3,849,958)
Operating profit	4	1,083,884	870,938
Interest payable and similar charges	5	(261,313)	(8,592)
Profit on ordinary activities before taxation		822,571	862,346
Tax on profit on ordinary activities	8	(175,237)	-
Retained profit for the period	17	647,334	862,346

The results for the periods shown above are derived entirely from continuing activities

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial periods stated above, and their historical cost equivalents

The restatement of the 53 week period ended 2 July 2010 is due to a reclassification of costs between administration expenses and operating costs

Balance sheet as at 1 July 2011

	Note	1 July 2011 £	2 July 2010 £
Fixed assets			
Tangible assets	9	76,122	134,879
Investments	10	2	2
		76,124	134,881
Current assets			
Stock	11	4,612,215	5,488,566
Debtors – Amounts falling due within one year	12	1,187,205	1,401,189
Debtors – Amounts falling due after one year	12	55,893	-
Cash at bank and in hand		1,508,546	62,817
		7,363,859	6,952,572
Creditors amounts falling due within one year	13	(5,263,313)	(8,398,997)
Net current assets/(liabilities)		2,100,546	(1,446,425)
Total assets less current liabilities		2,176,670	(1,311,544)
Creditors amounts falling due after more than one year	14	(6,492,828)	(3,651,948)
Net liabilities		(4,316,158)	(4,963,492)
Capital and reserves			
Called-up share capital	16	1,500,000	1,500,000
Profit and loss account (deficit)	17	(5,816,158)	(6,463,492)
Total shareholders' (deficit)	18	(4,316,158)	(4,963,492)

The financial statements on pages 6 to 18 were approved by the board of directors on 19 September 2011 and were signed on its behalf by



C A Humphreys
Director
Averys of Bristol Limited
Registered number: 00376920

Notes to the financial statements for the period ended 1 July 2011

1 Accounting policies

These financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the period.

Financial period

The financial statements are made up to the Friday nearest to 30 June each year. Periodically this results in a financial period of 53 weeks. The current accounting period is for the 52 weeks period ended 1 July 2011. The previous accounting period was for the 53 weeks ended 2 July 2010.

Basis of accounting

The company is dependent on the ongoing support of its parent company, Direct Wines Holdings Limited, to continue to trade. Direct Wines Holdings Limited has indicated its intention to provide such ongoing financial support as is necessary for the company to continue in operation and to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. Turnover is recognised on sales when title to the product passes, which is generally upon delivery.

Fixed asset investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful economic life, as follows:

Office equipment	25%
Motor vehicles	25%
Computer equipment	20%

Stock

Stock is stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes transport and handling costs. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for selling costs. Provision is made where necessary for obsolete, slow moving and defective stock.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains or losses are included in the profit and loss account in the period in which they arise.

Leased assets and obligations

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful economic lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

**Notes to the financial statements for the period ended
1 July 2011 (continued)****1 Accounting policies (continued)****Leased assets and obligations (continued)**

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term

Pension contributions

The company operates defined contribution pension schemes and the pension charge represents the amounts payable by the company to the funds in respect of the period

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in obligations to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

Comparative figures

The directors have reviewed the classification of expenditure within the profit and loss account. This review identified that certain expenditure previously classified as part of administrative expenses would be more appropriately classified as cost of sales and that this would be more consistent with the approach of the other group companies. As such the profit and loss comparative has been restated to ensure consistency with the revised classification of expenditure through a reclassification of £1,493,041 from administrative expenses to cost of sales. There is no impact on the profit reported for the financial year.

Exemption from preparation of consolidated financial statements

These financial statements present information about the company as an individual undertaking and not about the group. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements as its parent undertaking, Direct Wines Holdings Limited, is a UK company which prepares consolidated financial statements which include Averys of Bristol Limited and its subsidiary undertakings.

Notes to the financial statements for the period ended as restated 1 July 2011 (continued)

1 Accounting policies (continued)

Cash flow statement and related party transactions

The company is a wholly owned subsidiary of Direct Wines Holdings Limited and is included in the consolidated financial statements of Direct Wines Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 'Cash flow statements (revised 1996)'. The company is also exempt under the terms of Financial Reporting Standard 8 'Related party disclosures' from disclosing related party transactions between the company and other group companies.

2 Turnover

The company's turnover was all derived from its principal activity and arises solely within the United Kingdom.

3 Operating expenses

	52 week period ended 1 July 2011	53 week period ended 2 July 2010 (as restated)
	£	£
Distribution costs	1,330,501	1,492,677
Administrative expenses	2,590,802	2,357,281
	3,921,303	3,849,958

Notes to the financial statements for the period ended 1 July 2011 (continued)

4 Operating profit

	52 week period ended 1 July 2011 £	53 week period ended 2 July 2010 £
Operating profit is stated after charging:		
Wages and salaries	1,385,061	1,252,026
Social security costs	127,306	116,939
Pension costs (note 20)	19,857	17,800
Staff costs	1,532,224	1,386,765
Depreciation charge for the period		
Owned assets	58,335	69,702
Leased assets	9,650	9,650
Operating lease rentals		
Other than plant and machinery	230,732	254,567
Services provided by the company's auditors		
Fees payable for the audit of the company	10,500	10,500

5 Interest payable and similar charges

	52 week period ended 1 July 2011 £	53 week period ended 2 July 2010 £
Interest payable to group companies	260,067	6,941
On finance leases	1,246	1,651
	261,313	8,592

Notes to the financial statements for the period ended 1 July 2011 (continued)

6 Employee information

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

	52 week period ended 1 July 2011	53 week period ended 2 July 2010
By activity	Number	Number
Office and management	7	6
Selling and distribution	40	38
	47	44

7 Directors' emoluments

	52 week period ended 1 July 2011	53 week period ended 2 July 2010
	£	£
Aggregate emoluments	29,496	32,022
Company contributions to money purchase pension scheme	19,857	17,800

Three of the directors (2010 two) are remunerated by a fellow Direct Wines Holdings Limited group subsidiary. None of the costs are recharged to the company and the directors do not believe that a reasonable allocation can be practically made. Accordingly no amounts are included in the Directors' emoluments.

Retirement benefits are accruing to one director (2010 one director) under money purchase schemes.

Notes to the financial statements for the period ended 1 July 2011 (continued)

8 Tax on profit on ordinary activities

	52 week period ended 1 July 2011 £	53 week period ended 2 July 2010 £
Current tax		
United Kingdom corporation tax at 26% (2010 28%)	231,130	-
Total current tax	231,130	-
Deferred tax		
Origination and reversal of timing differences (note 15)	(55,893)	-
Tax on profit on ordinary activities	175,237	-

The tax assessed for the period is higher (2010 lower) than the standard rate of corporation tax in the UK 26% (2010 28%)

The differences are explained below

	52 week period ended 1 July 2011 £	53 week period ended 2 July 2010 £
Profit on ordinary activities before tax	822,571	862,346
Profit on ordinary activities multiplied by standard rate in the UK of 26% (2010 28%)	213,868	241,457
Effects of		
Change to UK corporation tax rate	12,339	-
Expenses not deductible for tax purposes	815	3,101
Difference in capital allowances and depreciation	4,108	2,244
Group relief	-	(56,019)
Interest imputed for tax purposes	-	(28,025)
Utilisation of brought forward losses	-	(162,758)
Current tax charge for the period	231,130	-

A number of changes to the UK corporation tax system were announced in the June 2010 budget and the March 2011 budget. These changes initially reduced the rate of corporation tax to 26% for the tax year beginning 1 April 2011. Further reductions by three further one percent cuts to 23% are expected by the tax year beginning 1 April 2014. These further reductions had not been substantially enacted at the balance sheet date and therefore are not recognised in these financial statements.

Notes to the financial statements for the period ended 1 July 2011 (continued)

9 Tangible assets

	Office and computer equipment £	Motor vehicles £	Total £
Cost			
At 3 July 2010	1,007,194	93,666	1,100,860
Additions	9,228	-	9,228
At 1 July 2011	1,016,422	93,666	1,110,088
Accumulated depreciation			
At 3 July 2010	889,998	75,983	965,981
Charge for the period	57,211	10,774	67,985
At 1 July 2011	947,209	86,757	1,033,966
Net book value			
At 1 July 2011	69,213	6,909	76,122
At 2 July 2010	117,196	17,683	134,879

Included within the net book value is £4,825 (2010 £14,475) relating to assets held under finance lease agreements. The depreciation charged during the period in respect of such assets amounted to £9,650 (2010 £9,650).

10 Investments

	1 July 2011 £	2 July 2010 £
Investment in subsidiaries	2	2

The company owns 100% of the issued ordinary share capital of New World Vintners Limited which is incorporated in England and Wales. The company is non-trading.

11 Stock

	1 July 2011 £	2 July 2010 £
Goods for resale	4,612,215	5,488,566

Notes to the financial statements for the period ended 1 July 2011 (continued)

12 Debtors

	1 July 2011 £	2 July 2010 £
Amounts falling due within one year		
Trade debtors	1,015,548	1,171,140
Prepayments and accrued income	171,657	230,049
	1,187,205	1,401,189

	1 July 2011 £	2 July 2010 £
Amounts falling due after more than one year		
Deferred tax asset (note 15)	55,893	-
	55,893	-

13 Creditors: amounts falling due within one year

	1 July 2011 £	2 July 2010 £
Bank loans and overdraft	-	2,167,932
Trade creditors	1,016,752	1,087,937
Obligations under finance leases (note 14)	9,120	7,114
Amounts owed to group undertakings	706,759	106,963
Corporation tax	71,130	-
Other taxation and social security costs	462,667	525,396
Accruals and deferred income	2,996,885	4,503,655
	5,263,313	8,398,997

The company's bank borrowings are secured by a cross guarantee with Direct Wines Holdings Limited group

Amounts owed to group undertakings are unsecured and repayable on demand Details of interest are set out in note 14

Notes to the financial statements for the period ended 1 July 2011 (continued)

14 Creditors: amounts falling due after more than one year

	1 July 2011 £	2 July 2010 £
Amounts owed to group undertakings	6,489,730	3,639,730
Obligations under finance leases	3,098	12,218
	6,492,828	3,651,948

Amounts owed to group undertakings represents amounts owed to Direct Wines Finance Limited which are unsecured, and have no set date for repayment, interest accrues at 5% per annum on amounts owed. They have been categorised as falling due after more than one year as the directors have received confirmation that this group undertaking will not require payment of these amounts due for at least 12 months from the balance sheet date.

Net obligations under finance leases are as follows

	1 July 2011 £	2 July 2010 £
In one year or less	9,120	7,114
In more than one year, but less than two	3,098	8,488
In more than two years, but less than five	-	3,730
	12,218	19,332

Obligations under finance leases are secured on the tangible fixed assets to which they relate and carry interest at 7.8%.

15 Deferred taxation

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable, taxable profits from which the future reversal of the underlying timing differences can be deducted.

	Amount recognised		Amount not recognised	
	1 July 2011 £	2 July 2010 £	1 July 2011 £	2 July 2010 £
Tax effect of timing differences because of				
Accelerated capital allowances	37,415	-	-	38,491
Short-term timing difference	18,478	-	-	16,195
	55,893	-	-	54,686

Notes to the financial statements for the period ended 1 July 2011 (continued)

16 Called-up share capital

	1 July 2011 £	2 July 2010 £
Authorised		
1,500,000 (2010 1,500,000) ordinary shares of £1 each	1,500,000	1,500,000
Allotted, called-up and fully paid		
1,500,000 (2010 1,500,000) ordinary shares of £1 each	1,500,000	1,500,000

17 Reserves

	Profit & loss account £
At 2 July 2010	(6,463,492)
Retained profit for the period	647,334
At 1 July 2011	(5,816,158)

18 Reconciliation of movement in shareholders' deficit

	1 July 2011 £	2 July 2010 £
Retained profit for the period	647,334	862,346
Net reduction to shareholders' deficit	647,334	862,346
Opening shareholders' deficit	(4,963,492)	(5,825,838)
Closing shareholders' deficit	(4,316,158)	(4,963,492)

19 Commitments under operating leases

At 1 July 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	1 July 2011 £	2 July 2010 £
Within one year	-	42,785
In more than two year, but less than five	198,725	198,725
	198,725	241,510

**Notes to the financial statements for the period ended
1 July 2011 (continued)**

20 Pension commitments

The company operates defined contribution pension schemes whose assets are held separately from those of the company in independently administered funds. The pension cost charge representing contributions payable by the company amounted to £19,857 (2010 £17,800).

21 Ultimate parent company and controlling party

The immediate and ultimate parent company is Direct Wines Holdings Limited. According to the register kept by the company, Direct Wines Holdings Limited had a 100% interest in the equity capital of Averys of Bristol Limited at 1 July 2011 and is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 1 July 2011. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Direct Wines Holdings Limited, New Aquitaine House, Exeter Way, Theale, Reading, Berkshire, RG7 4PL.

The directors regard the Laithwaite family as the ultimate controlling party by virtue of their interest in the share capital of Direct Wines Holdings Limited.