Continental Wine & Food Limited

Annual report and financial statements
Registered number 678941
31 March 2018

Contents

Strategic Report

Principal activities

The principal activities of the company are the import, distribution and wholesale supply of food and wine, and the production of British wine.

Business review and results

The trading level and profit for the year are in line with the directors' expectations. Operating profit increased from £4,433,415 in the previous year to £4,458,564 in the current year. Profit before tax increased by £30,114 to £4,464,316. Turnover has increased by £9,825,802 on the previous year due a general rise in trade over all sectors. The net assets of the business stood at £26,940,560 at the year end with cash in hand of £13,220,063. The company is confident that there is adequate working capital cover to meet all business needs.

Key performance indicators

Key financial performance indicators include the monitoring of the management of profitability and working capital.

Key non-financial performance indicators include the monitoring of our employees' health and safety in addition to the company's environmental impact and energy consumption.

Principal risks and uncertainties

The principal risks and uncertainties affecting the business include the following:

- Foreign currency exchange: the company monitors exchange rates closely and has a policy of hedging against currency fluctuations relating to transactions.
- Debtors: the company maintains strong relationships with each of its key customers and has established credit control parameters. Appropriate credit terms are agreed with all customers and these are closely managed.
- Major disruption/disaster: business continuity planning is reviewed regularly.
- The effect of legislation or other regulatory activities: the company monitors forthcoming and current legislation regularly.
- Brexit: key impact is in relation to any impact on currency and supply chain disruption. The board continue to monitor closely the developments and opportunities to mitigate any disruption.

Future developments

Key areas of strategic development and performance of the business include:

- Sales and marketing: new and replacement business is being won continually; key customer relationships are monitored on a regular basis.
- Manufacturing: new products continue to be developed for both existing and developing markets; production efficiencies have been gained and new initiatives for process and efficiency improvements are constantly being developed.
- Health and Safety: accident and absenteeism rates have continued to fall and the company continues to seek ways of ensuring that a safe and healthy working environment is progressively improved.

Signed on behalf of the Board

PJ Taylor
Secretary
19th December 2018

Trafalgar Mills
Leeds Road
Huddersfield
HD2 1YY

2018

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2018.

Results and dividend

During the year the company paid dividends of £1,554,341 *(2017: £71,458)*.

Employees

The company maintains formal and informal information systems of communication with its employees to discuss matters of mutual interest. The company's policy for disabled persons is to provide equal opportunities for work, training and career development in keeping with their aptitude and abilities.

Directors

The directors who held office during the year were as follows:
A Bevilacqua
JD Shinwell
PJ Taylor

Other information

Certain required disclosures are included in the Strategic Report including information on financial risk and future developments.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

PJ Taylor
Secretary

Trafalgar Mills
Leeds Road
Huddersfield
HD2 1YY

19th December 2018

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Continental Wine & Food Limited

Opinion

We have audited the financial statements of Continental Wine & Food Limited ("the company") for the year ended 31 March 2018 which comprise the Profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity, Cash flow statement and related notes, including the accounting policies in note 2.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Continental Wine & Food Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Ian Beaumont (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

19/12/2018

Profit and Loss Account and Other Comprehensive Income

for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	*3*	**91,033,681**	81,207,879
Change in stocks of finished goods and work in progress		**(464,897)**	1,027,708
Other operating income		**376,033**	333,180
Raw materials and consumables		**(71,498,604)**	(64,939,651)
Other external charges		**(7,012,592)**	(5,943,675)
Staff costs	*6*	**(6,938,858)**	(6,392,439)
Depreciation and other amounts written off tangible and intangible fixed assets	*4*	**(1,036,199)**	(859,587)
Operating profit	*4*	**4,458,564**	4,433,415
Interest payable and similar charges	*7*	**(359)**	(500)
Interest receivable		**65111**	28,958
Gain/ (Loss) on change in fair value of financial instruments		**-**	(27,671)
Profit before taxation		**4,464,316**	4,434,202
Tax on profit	*8*	**(843,362)**	(903,448)
Profit for the financial year		**3,620,954**	3,530,754

The profit before taxation is the historical cost profit.

All operations are continuing.

The company has no recognised gains or losses for the year other than the results above and therefore no separate statement of comprehensive income has been prepared.

The accompanying notes form part of the financial statements.

Balance sheet
at 31 March 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	*10*		**3**		3
Tangible assets	*11*		**2,452,046**		2,753,370
Investments	*12*		**200,001**		200,001
			2,652,050		2,953,374
Current assets					
Stocks	*13*	**5,499,048**		5,963,945	
Debtors	*14*	**16,230,919**		14,354,196	
Cash at bank and in hand		**13,220,063**		13,148,826	
		34,950,030		33,466,968	
Creditors: amounts falling due within one year	*15*	**(10,661,520)**		(11,525,911)	
Net current assets			**24,288,510**		21,941,057
Total assets less current liabilities			**26,940,560**		24,894,431
Provisions for liabilities and charges	*16*		**-**		(20,483)
Net assets			**26,940,560**		24,873,947
Capital and reserves					
Called up share capital	*17*		**1,179,395**		1,179,395
Share premium account			**583,793**		583,793
Capital redemption reserve			**6,200**		6,200
Profit and loss account			**25,171,172**		23,104,559
Shareholders' funds			**26,940,560**		24,873,947

These financial statements were approved by the board of directors on 19th December 2018 and were signed on its behalf by:

A Bevilacqua
Director

The accompanying notes form part of the financial statements.

Statement of changes in equity

	Called up Share capital	Share Premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 April 2016	1,179,395	583,793	6,200	19,645,263	21,414,651
Total comprehensive income for the period					
Profit or loss	-	-	-	3,530,754	3,530,754
Total comprehensive income for the period	-	-	-	3,530,754	3,530,754
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(71,458)	(71,458)
Total contributions by and distributions to owners	-	-	-	(71,458)	(71,458)
Balance at 31 March 2017	1,179,395	583,793	6,200	23,104,559	24,873,947

	Called up Share capital	Share Premium account	Capital redemption reserve	Profit and loss account	Total Equity
	£	£	£	£	£
Balance at 1 April 2017	1,179,395	583,793	6,200	23,104,559	24,873,947
Total comprehensive income for the period					
Profit or loss	-	-	-	3,620,954	3,620,954
Total comprehensive income for the period	-	-	-	3,620,954	3,620,954
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(1,554,341)	(1,554,341)
Total contributions by and distributions to owners	-	-	-	(1,544,341)	(1,554,341)
Balance at 31 March 2018	**1,179,395**	**583,793**	**6200**	**25,171,172**	**26,940,560**

The accompanying notes form part of the financial statements.

Cash Flow Statement

for the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the year		**3,620, 954**	3,530,754
Adjustments for:			
Depreciation	*11*	**1,036,199**	859,587
Fair value (gain)/loss of forward contracts		**-**	27,671
Interest receivable and similar income		**(6,111)**	(28,958)
Interest payable and similar charges		**359**	500
Gain on sale of tangible fixed assets		**(9,105)**	(18,068)
Taxation		**843,362**	903,448
		5,485,658	5,274,934
(Increase)/decrease in trade and other debtors		**(1,835,998)**	(1,999,102)
(Increase)/decrease in stocks		**464,897**	(1,027,708)
(Decrease)/increase in trade and other creditors		**(343,961)**	881,270
		3,770,596	3,129,394
Tax paid		**(1,425,000)**	(653,365)
Net cash from operating activities		**2,345,596**	2,476,029
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**18,012**	33,561
Interest received		**6,111**	28,958
Acquisition of tangible fixed assets	*11*	**(743,782)**	(1,106,292)
Net cash from investing activities		**(719,659)**	(1,043,773)
Cash flows from financing activities			
Interest paid		**(359)**	(500)
Dividends paid		**(1,554,341)**	(71,458)
Net cash from financing activities		**(1,554,700)**	(71,958)
Net increase/(decrease) in cash and cash equivalents		**71,237**	1,360,298
Cash and cash equivalents at start of the year		**13,148,826**	11,788,528
Cash and cash equivalents at end of the year		**13,220,063**	13,148,826

The accompanying notes form part of the financial statements.

Notes

(forming part of the financial statements)

1 General Information

Continental Wine & Food Limited ("the Company")is a private company incorporated domiciled and registered in England in the UK. The registered number is 678941 and the registered address is Trafalgar Mills, Leeds Road, Huddersfield, HO2 1YY.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Consolidated financial statements have not been prepared as the subsidiary undertakings have not traded during the year and inclusion of these in consolidated financial statements would not be material for the purpose of giving a true and fair view.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons. The company meets its day to day working capital requirements through the cash generated from operations, related party loans and an overdraft facility which is repayable on demand and was renewed on 31 May 2018. On the basis of current trading the directors consider that the company will continue to operate within the facilities currently agreed.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement

Investments

Investments in subsidiary undertakings are stated at cost (less amounts provided for). Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

Notes *(continued)*

2 Accounting policies *(continued)*

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Concessions, patents, licences and trademarks purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Leasehold improvements	-	20% of cost
Plant and equipment	-	5% to 20% of cost
Fixtures and fittings	-	15% of net book value
Motor vehicles	-	25% of cost

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than [investment property, stocks and deferred tax assets], are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

Notes *(continued)*

2 Accounting policies *(continued)*

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value. For finished goods produced by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year.

Notes *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Classification of financial instruments issued by the Company

Following the adoption of FRS 102, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes *(continued)*

3 Turnover

The turnover for the year has been earned from the following regions.

	2018	2017
	£	£
UK	**90,001,484**	80,223,169
EU	**1,032,197**	984,710
	91,033,681	81,207,879

4 Notes to the profit and loss account

	2018	2017
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation - owned	**1,036,199**	859,587
Profit on sale of tangible fixed assets	**9,105**	18,068
Hire of plant and machinery	**113,467**	95,430
Net foreign exchange gain/(loss)	**483,630**	847,677
Auditor's remuneration		
Audit of these financial statements	**33,150**	31,020
Amounts receivable by the auditor and their associates in respect of:		
Other services relating to taxation	**6,840**	8,000

5 Remuneration of directors

	2018	2017
	£	£
Directors' emoluments	**275,577**	284,061
Pension contributions	**63,181**	78,430
	338,758	362,491

The emoluments of the highest paid director amounted to £138,896 *(2017: £136,900)*, including pension contributions of £25,409 *(2017: £40,000)*.

	Number of directors	
	2018	2017
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**3**	3

Notes *(continued)*

6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2018	2017
Management	**34**	34
Sales	**38**	38
Production	**38**	37
Warehouse and distribution	**104**	96
	214	205

The aggregate payroll costs of these persons were as follows:

	2018 £	2017 £
Wages and salaries	**6,168,687**	5,689,316
Social security costs	**596,175**	517,750
Other pension costs (note 20)	**173,996**	185,373
	6,938,858	6,392,439

7 Interest payable and similar charges

	2018 £	2017 £
On bank loans and overdrafts	**359**	500
	359	500

Notes *(continued)*

8 Taxation

Analysis of charge in the year

		2018		2017
		£		£
UK corporation tax				
Current tax on income for the year		**929,983**		951,102
Adjustment in respect of prior years		**(25,413)**		(14,125)
Total current tax	**904,570**		936,977	
Deferred tax				
Origination and reversal of timing differences	**(63,999)**		(22,286)	
Adjustments in respect of prior years	**2,791**		(8,727)	
Effect of tax rate change on opening balance	**-**		(2,516)	
Total deferred tax (credit)/charge		**(61,208)**		(33,529)
Total tax charge for the year		**843,362**		903,448

Factors affecting the tax charge for the current year

The current tax charge for the year is lower *(2017: higher)* than the standard rate of corporation tax in the UK of 19%, *2017: 20%).* The differences are explained below:

	2018	2017
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	**4,464,316**	4,434,211
Current tax at 19% *(2017: 20%)*	**848,220**	886,842
Effects of:		
Expenses not deductible for tax purposes	**3,548**	38,040
Adjustments to tax charge in respect of previous periods	**(25,413)**	(14,125)
Adjustment to tax charge in respect of previous periods – deferred tax	**10,320**	(8,727)
Adjustment of closing deferred tax rate	**-**	1,418
Fixed amount difference	**6,687**	-
Total tax charge for the year	**843,362**	903,448

Notes *(continued)*

9 Dividends

	2018	2017
	£	£
The aggregate amount of dividends comprise		
Final dividends paid in respect of prior years but not recognised as liabilities in that year	**1,554,341**	71,458

Dividends to the value of £1,158,267 (*2017: £2,508,468*) were waived in the year.

10 Intangible fixed assets

	Licences, trade marks and similar rights and assets
	£
Cost	
At beginning and end of year	-
Amortisation	
At beginning and end of year	-
Net book value	
At 31 March 2018	**3**
At 31 March 2017	3

11 Tangible fixed assets

	Leasehold improvements	**Plant and equipment**	**Fixtures and fittings**	**Motor vehicles**	**Total**
	£	**£**	**£**	**£**	**£**
Cost or valuation					
At beginning of year	320,209	9,407,444	518,073	1,484,047	11,729,773
Additions	-	245,626	6,057	492,099	743,782
Disposals	-	-	(7,445)	(99,591)	(107,036)
At end of year	320,209	9,653,070	516,685	1,876,555	12,366,519
Depreciation					
At beginning of year	302,201	7,404,243	482,126	787,833	8,976,403
Charge for year	7,278	621,844	5,633	401,444	1,036,199
On disposals	-	-	(4,347)	(93,782)	(98,129)
At end of year	309,479	8,026,087	483,412	1,095,495	9,914,473
Net book value					
At 31 March 2018	**10,730**	**1,626,983**	**33,272**	**781,060**	**2,452,046**
At 31 March 2017	18,008	2,003,201	35,947	696,214	2,753,370

Included in the total net book value of plant, equipment and motor vehicles is £nil *(2017: £nil)* in respect of assets held under finance leases. Depreciation for the year on these assets was £nil *(2017: £nil).*

Notes *(continued)*

12 Fixed asset investments

Shares in group companies	**£**
Cost	
At beginning and end of year	-
Provisions	
At beginning and end of year	-
Net book value	
At 31 March 2018	**200,001**
At 31 March 2017	200,001

Shares in group companies comprise the entire issued ordinary share capital of Eurofast Vintners Limited, Pizza and Pasta Trading Limited, Quattro Stagioni Limited and Hanwood Limited. All of these companies are dormant and are registered in England and Wales, at the same registered office as Continental Wine & Food Limited. Consolidated financial statements have not been prepared as the subsidiary undertakings have not traded during the year and inclusion of these in consolidated financial statements would not be material for the purpose of giving a true and fair view.

In the opinion of the directors the value of investments is not less than the carrying value.

13 Stocks

	2018	2017
	£	£
Finished goods, goods for resale and raw materials	**5,499,048**	5,963,945

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £71,963,501 *(2017: £63,911,943).*

14 Debtors

	2018	2017
	£	£
Trade debtors	**15,824,169**	13,954,309
Amounts owed by related undertakings	**182,993**	203,727
Other debtors, prepayments and accrued income	**183,032**	192,567
Forward currency contracts	**-**	3,593
Deferred tax amount	**40,725**	-
	16,230,919	14,354,196s

Trade debtors includes £182,993 *(2017: £203,727)* in respect of amounts due from related undertakings. Amounts due from related undertakings are receivable on demand.

Notes *(continued)*

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	**5,023,660**	5,659,114
Amounts owed to related undertakings	**81,421**	95,621
Corporation tax	**356,979**	877,409
Other taxes and social security	**1,155,537**	974,451
Accruals and deferred income	**3,843,926**	3,719,319
Amounts due to subsidiary undertakings	**199,997**	199,997
	10,661,520	11,525,911

Amounts due to related undertakings are repayable on demand.

The company has a bank overdraft which is secured by a fixed and floating charge on the assets of the group. The bank overdraft facility is repayable on demand.

16 Provisions for liabilities and charges

The full potential (asset)/liability for deferred taxation is as follows:

	Deferred taxation
	£
At beginning of year	20,483
Charge for the year	(61,208)
At end of year	**(40,725)**

The elements of deferred tax are as follows:

	2018	2017
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	**53,699**	114,907
Other timing differences	**(94,424)**	(94,424)
Net provision for deferred tax	**(40,725)**	20,483
Deferred tax asset	**(40,725)**	-
Deferred tax liability	**-**	20,483
	(40,725)	20,483

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2018) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax liability at 31 March 2017 has been calculated based on these rates. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017. This will reduce the company's future current tax charge accordingly and will reduce the deferred tax liability.

Notes *(continued)*

17 Called up share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
5,896,973 (2017: 5,896,973) ordinary shares of 20p each	**1,179,395**	1,179,395

18 Commitments and contingent liabilities

a) At 31 March 2018 contingent liabilities existed in respect of the following items:

	2018	2017
	£	£
HM Customs & Excise Bond	**500,000**	500,000

b) Non-cancellable operating lease rentals payable as follows:

Land and buildings	**2018**	2017
	£	£
Less than one year	**438,388**	435,691
Between one and five years	**166,666**	-

The Company also had contractual commitments for the purchase of forward currency contracts in the coming period of £2,613,546 *(2017: £1,278,184).*

19 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £173,996 (*2017: £185,373).*

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes *(continued)*

20 Related party disclosures

M Bevilacqua (resigned in period) and A Bevilacqua have interests in the share capital of the following entities which purchased or sold goods and services to/from the company, on normal commercial terms, during the year.

Related party	Purchases	Sales	Debtor at 31 March 2018	Creditor at 31 March 2018
	£	£	£	£
Briar Court Hotel Limited	26,297	275,125	116,515	22,840
Waterfront Lodge Limited	4,861	123,333	54,462	1,831
MB Construction	73,394	-	9,763	26,323
Brockhole Business Park	99,714	-	2,253	-
-Parrs Point Limited	315,750	-	-	4,400
Queens Mill Estates	-	-	-	-

The following loans were owed by the company to related undertakings at 31 March 2018:

Related party	Creditor at 31 March 2018
	£
Queens Mill Estate	26,028
Pizza & Pasta Trading Limited	149,909
Eurofast Vinters Limited	50,000

Directors loans of £32,815 *(2017: £46,451)* were held within creditors on the balance sheet at year end, which are repayable on demand.

The entity is owned and ultimately controlled by its shareholders.