

Abbreviated Accounts for the year ended 31st March 2004

for

The Merchant Vintners Company Limited



**The Merchant Vintners Company Limited**

**Contents of the Abbreviated Accounts**  
**for the year ended 31st March 2004**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors on the Abbreviated Accounts</b>	<b>4</b>
<b>Abbreviated Profit and Loss Account</b>	<b>5</b>
<b>Abbreviated Balance Sheet</b>	<b>6</b>
<b>Cash Flow Statement</b>	<b>7</b>
<b>Notes to the Cash Flow Statement</b>	<b>8</b>
<b>Notes to the Abbreviated Accounts</b>	<b>10</b>

**The Merchant Vintners Company Limited**

**Company Information**  
**for the year ended 31st March 2004**

<b>DIRECTORS:</b>	J.L.R. Frazier I.G.M. Urquhart A.W. Trease G.H. Dickinson J.J. Eustace J.J. Tanner J.C. Townend
<b>SECRETARY:</b>	R C Balls
<b>REGISTERED OFFICE:</b>	Bacchus House 313 Cambridge Heath Road London E2 9LQ
<b>REGISTERED NUMBER:</b>	911202 (England and Wales)
<b>AUDITORS:</b>	Sadofskys Chartered Accountants Registered Auditors Princes House Wright Street Hull HU2 8HX
<b>BANKERS:</b>	HSBC PO Box 72 55 Whitefriargate Hull HU1 2HX
<b>SOLICITORS:</b>	Andrew M. Jackson & Co PO Box 47 Essex House Manor Street Hull HU1 1XH

**The Merchant Vintners Company Limited**

**Report of the Directors**  
**for the year ended 31st March 2004**

The directors present their report with the accounts of the company for the year ended 31st March 2004.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the importation and bulk buying of wines and spirits. The turnover of the company arises wholly from sales to its members. The company has 21 members at the year end. The directors of the company are also directors of some of the member companies to whom sales are made. The interests of the directors in the shares of the company are disclosed below.

**REVIEW OF BUSINESS**

*The results for the year and financial position of the company are as shown in the annexed accounts.*

**DIVIDENDS**

No dividends will be distributed for the year ended 31st March 2004.

**DIRECTORS**

The directors during the year under review were:

J.L.R. Frazier  
I.G.M. Urquhart  
A.W. Trease  
G.H. Dickinson  
J.J. Eustace  
J.J. Tanner  
J.C. Townend

The beneficial interests of the directors holding office on 31st March 2004 in the issued share capital of the company were as follows:

	31/3/04	1/4/03
<b>Ordinary £1 shares</b>		
J.L.R. Frazier	2,000	2,000
I.G.M. Urquhart	2,000	2,000
A.W. Trease	2,000	2,000
G.H. Dickinson	2,000	2,000
J.J. Eustace	-	-
J.J. Tanner	2,000	2,000
J.C. Townend	2,000	2,000

In accordance with the Articles of Association, G.H. Dickinson and J.J. Eustace will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

**PURCHASE OF OWN SHARES**

During the year the company purchased the shares of the following member:

Wine Warehouse Europe Limited - 2,000 ordinary shares of £1 each for a total consideration of £2,000.

The above shares were purchased due to the member leaving the company.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Merchant Vintners Company Limited**

**Report of the Directors**  
**for the year ended 31st March 2004**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

*The auditors, Sadofskys Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.*

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink that reads "Richard Balls". The signature is written in a cursive style with a large, stylized 'R' and 'B'.

R C Balls - Secretary

16th August 2004

**Report of the Independent Auditors to**  
**The Merchant Vintners Company Limited**  
**Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages five to sixteen, together with the full financial statements of the company for the year ended 31st March 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to sixteen are properly prepared in accordance with that provision.



Sadofskys Chartered Accountants  
Registered Auditors  
Princes House  
Wright Street  
Hull  
HU2 8HX

Date: ..... 17<sup>th</sup> AUGUST 2004 .....

**The Merchant Vintners Company Limited**

**Abbreviated Profit and Loss Account**  
**for the year ended 31st March 2004**

		<u>31/3/04</u>	<u>31/3/03</u>
	Notes	£	£
<b>GROSS PROFIT</b>		<b>160,341</b>	154,141
Administrative expenses		<u>100,892</u>	<u>92,901</u>
<b>OPERATING PROFIT</b>	3	<b>59,449</b>	61,240
Interest receivable and similar income		<u>-</u>	<u>159</u>
		<b>59,449</b>	61,399
Interest payable and similar charges	4	<u>34,798</u>	<u>34,208</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>24,651</b>	27,191
Tax on profit on ordinary activities	5	<u>4,381</u>	<u>3,987</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>20,270</b>	23,204
Retained profit brought forward		<u>279,311</u>	<u>256,107</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b><u>£299,581</u></b>	<b><u>£279,311</u></b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

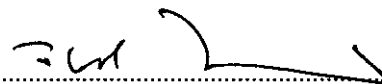
**The Merchant Vintners Company Limited**

**Abbreviated Balance Sheet**  
**31st March 2004**

		31/3/04		31/3/03	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		4,219		5,925
Investments	7		102		102
			<u>4,321</u>		<u>6,027</u>
<b>CURRENT ASSETS:</b>					
Stocks	8	978,695		1,227,705	
Debtors	9	547,942		426,894	
Cash in hand		51		30	
		<u>1,526,688</u>		<u>1,654,629</u>	
<b>CREDITORS:</b> Amounts falling due within one year	10	<u>857,924</u>		<u>1,019,687</u>	
<b>NET CURRENT ASSETS:</b>			<u>668,764</u>		<u>634,942</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			673,085		640,969
<b>CREDITORS:</b> Amounts falling due after more than one year	11		(320,000)		(310,000)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	14		(504)		(658)
			<u>£352,581</u>		<u>£330,311</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	15		42,000		40,000
Capital redemption reserve fund	16		11,000		11,000
Profit and loss account			299,581		279,311
<b>SHAREHOLDERS' FUNDS:</b>	19		<u>£352,581</u>		<u>£330,311</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

**ON BEHALF OF THE BOARD:**

  
.....  
J.L.R. Frazier - Director

  
.....  
A.W. Trease - Director

Approved by the Board on 16 August 2004

The notes form part of these abbreviated accounts



**The Merchant Vintners Company Limited**

**Cash Flow Statement**  
**for the year ended 31st March 2004**

		<u>31/3/04</u>	<u>31/3/03</u>
	Notes	£	£
Net cash inflow from operating activities	1	162,826	100,266
Returns on investments and servicing of finance	2	(34,798)	(34,049)
Taxation		(3,329)	(4,767)
Capital expenditure	2	-	(6,490)
		<u>124,699</u>	<u>54,960</u>
Management of liquid resources	2	12,000	(11,425)
Increase in cash in the period		<u>£136,699</u>	<u>£43,535</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		<u>136,699</u>	<u>43,535</u>
Change in net debt resulting from cash flows		<u>136,699</u>	<u>43,535</u>
Movement in net debt in the period		136,699	43,535
Net debt at 1st April		<u>(335,363)</u>	<u>(378,898)</u>
Net debt at 31st March		<u>£(198,664)</u>	<u>£(335,363)</u>

The notes form part of these abbreviated accounts

The Merchant Vintners Company Limited

Notes to the Cash Flow Statement  
for the year ended 31st March 2004

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31/3/04 £	31/3/03 £
Operating profit	59,449	61,240
Depreciation charges	1,706	1,464
Decrease/(Increase) in stocks	249,010	(116,186)
(Increase)/Decrease in debtors	(121,048)	59,336
(Decrease)/Increase in creditors	(26,291)	94,412
<b>Net cash inflow from operating activities</b>	<u><u>162,826</u></u>	<u><u>100,266</u></u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31/3/04 £	31/3/03 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	159
Interest paid	(34,798)	(34,208)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><u>(34,798)</u></u>	<u><u>(34,049)</u></u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	-	(6,490)
<b>Net cash outflow for capital expenditure</b>	<u><u>-</u></u>	<u><u>(6,490)</u></u>
<b>Management of liquid resources</b>		
Expenditure on repurchase of shares	(2,000)	(3,000)
Repayment of borrowings	-	(10,425)
Issue of shares	4,000	2,000
Increase in borrowings	10,000	-
<b>Net cash inflow/(outflow) from management of liquid resources</b>	<u><u>12,000</u></u>	<u><u>(11,425)</u></u>

**The Merchant Vintners Company Limited**

**Notes to the Cash Flow Statement**  
**for the year ended 31st March 2004**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/03 £	Cash flow £	At 31/3/04 £
Net cash:			
Cash at bank and in hand	30	21	51
Bank overdrafts	(335,393)	136,678	(198,715)
	<u>(335,363)</u>	<u>136,699</u>	<u>(198,664)</u>
Total	<u>(335,363)</u>	<u>136,699</u>	<u>(198,664)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	30		51
Bank overdrafts	(335,393)		(198,715)
	<u>(335,363)</u>		<u>(198,664)</u>

The notes form part of these abbreviated accounts

**The Merchant Vintners Company Limited**

**Notes to the Abbreviated Accounts**  
**for the year ended 31st March 2004**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

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

Office equipment        - 20% on cost

**Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**2. STAFF COSTS**

	31/3/04	31/3/03
	£	£
Wages and salaries	44,004	43,969
Social security costs	3,858	3,421
Other pension costs	2,580	2,449
	<u>50,442</u>	<u>49,839</u>

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

	31/3/04	31/3/03
Office and management	<u>3</u>	<u>3</u>

The Merchant Vintners Company Limited

Notes to the Abbreviated Accounts  
for the year ended 31st March 2004

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31/3/04	31/3/03
	£	£
Depreciation - owned assets	1,706	1,464
Auditors' remuneration	<u>2,950</u>	<u>3,000</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31/3/04	31/3/03
	£	£
Bank interest	16,283	15,319
Loan stock interest	15,300	15,300
Interest on unsecured shareholder advances	<u>3,215</u>	<u>3,589</u>
	<u>34,798</u>	<u>34,208</u>

5. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31/3/04	31/3/03
	£	£
Current tax:		
UK corporation tax	4,535	3,329
Deferred taxation	<u>(154)</u>	<u>658</u>
Tax on profit on ordinary activities	<u>4,381</u>	<u>3,987</u>

UK corporation tax has been charged at 15.59% (2003 - 13.86%).

**The Merchant Vintners Company Limited**

**Notes to the Abbreviated Accounts**  
**for the year ended 31st March 2004**

**6. TANGIBLE FIXED ASSETS**

	<b>Office equipment</b>
	<b>£</b>
<b>COST:</b>	
At 1st April 2003	
and 31st March 2004	<b>23,754</b>
<b>DEPRECIATION:</b>	
At 1st April 2003	<b>17,829</b>
Charge for year	<b>1,706</b>
At 31st March 2004	<b>19,535</b>
<b>NET BOOK VALUE:</b>	
At 31st March 2004	<b>4,219</b>
At 31st March 2003	<b>5,925</b>

**7. FIXED ASSET INVESTMENTS**

	<b>£</b>
<b>COST:</b>	
At 1st April 2003	
and 31st March 2004	<b>102</b>
<b>NET BOOK VALUE:</b>	
At 31st March 2004	<b>102</b>
At 31st March 2003	<b>102</b>

	<b>31/3/04</b>	<b>31/3/03</b>
	<b>£</b>	<b>£</b>
Unlisted investments	<b>102</b>	<b>102</b>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

***Baronoff Vodka Company Limited***

Country of incorporation: England and Wales

Nature of business: Dormant

	<b>%</b>
Class of shares:	holding
100 Ordinary shares of £1 each	100.00

***MV Kruger and Company Limited***

Country of incorporation: England and Wales

Nature of business: Dormant

	<b>%</b>
Class of shares:	holding
2 Ordinary shares of £1 each	100.00

**The Merchant Vintners Company Limited**

**Notes to the Abbreviated Accounts**  
**for the year ended 31st March 2004**

8.	<b>STOCKS</b>	<b>31/3/04</b>	<b>31/3/03</b>
		£	£
	Stock	<b>978,695</b>	<b>1,227,705</b>
9.	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>31/3/04</b>	<b>31/3/03</b>
		£	£
	Trade debtors	<b>535,442</b>	<b>410,318</b>
	Other debtors	<b>3,872</b>	<b>13,505</b>
	Prepayments	<b>8,628</b>	<b>3,071</b>
		<b>547,942</b>	<b>426,894</b>
10.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>31/3/04</b>	<b>31/3/03</b>
		£	£
	Bank loans and overdrafts (see note 12)	<b>198,715</b>	<b>335,393</b>
	Trade creditors	<b>499,563</b>	<b>522,733</b>
	Other creditors	<b>62,102</b>	<b>77,008</b>
	Social security & other taxes	<b>1,167</b>	<b>942</b>
	Taxation	<b>4,535</b>	<b>3,329</b>
	Accrued expenses	<b>91,842</b>	<b>80,282</b>
		<b>857,924</b>	<b>1,019,687</b>
11.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>31/3/04</b>	<b>31/3/03</b>
		£	£
	Shareholders' unsecured loans (see note 12)	<b>65,000</b>	<b>55,000</b>
	6% Convertible loan stock (see note 12)	<b>255,000</b>	<b>255,000</b>
		<b>320,000</b>	<b>310,000</b>

On 30th September 2025 the loan stock is redeemable for cash at par or, at the bond holders' discretion, convertible into fully paid £1 ordinary shares on the basis of one ordinary share for each £1 of loan stock.

**The Merchant Vintners Company Limited**

**Notes to the Abbreviated Accounts**  
**for the year ended 31st March 2004**

**12. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	31/3/04 £	31/3/03 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>198,715</u>	<u>335,393</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Shareholders' unsecured loans	65,000	55,000
6% Convertible loan stock	<u>255,000</u>	<u>255,000</u>
	<u>320,000</u>	<u>310,000</u>

**13. SECURED DEBTS**

The following secured debts are included within creditors:

	31/3/04 £	31/3/03 £
Bank overdrafts	<u>198,715</u>	<u>335,393</u>

The bank overdraft is secured by a mortgage and general charge over the assets of the company.

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	31/3/04 £	31/3/03 £
Deferred taxation	<u>504</u>	<u>658</u>
	<b>Deferred</b>	
	<b>tax</b>	
	<b>£</b>	
Balance at 1st April 2003	658	
Movement in year	<u>(154)</u>	
Balance at 31st March 2004	<u>504</u>	



**The Merchant Vintners Company Limited**

**Notes to the Abbreviated Accounts**  
**for the year ended 31st March 2004**

**15. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal	31/3/04	31/3/03
		value:	£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	31/3/04	31/3/03
		value:	£	£
42,000	Ordinary	£1	<u>42,000</u>	<u>40,000</u>
(31/3/03 - 40,000)				

The following shares were allotted and fully paid for cash at par during the year:

4,000 Ordinary shares of £1 each

During the year, as disclosed in the Director's report, the company also repurchased 2,000 ordinary shares of £1 each.

**16. CAPITAL REDEMPTION RESERVE FUND**

	31/3/04	31/3/03
	£	£
Capital redemption reserve fund	<u>11,000</u>	<u>11,000</u>

**17. OTHER FINANCIAL COMMITMENTS**

At 31 March 2004 the company had outstanding forward foreign exchange contracts amounting to £490,885 (2003 - £385,197).

**18. TRANSACTIONS WITH DIRECTORS**

The turnover of the company arises wholly from sales to its members. The directors of the company are also the directors of some of the member companies to whom sales are made. The sales are made on normal commercial terms.

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31/3/04	31/3/03
	£	£
Profit for the financial year	20,270	23,204
Repurchase of shares	(2,000)	(3,000)
Issue of shares	<u>4,000</u>	<u>2,000</u>
<b>Net addition to shareholders' funds</b>	<u>22,270</u>	<u>22,204</u>
Opening shareholders' funds	<u>330,311</u>	<u>308,107</u>
<b>Closing shareholders' funds</b>	<u>352,581</u>	<u>330,311</u>
Equity interests	<u>352,581</u>	<u>330,311</u>

The Merchant Vintners Company Limited

Notes to the Abbreviated Accounts  
for the year ended 31st March 2004

20. **EXEMPTION FROM PREPARING GROUP ACCOUNTS**

These accounts present information about the company as an individual undertaking and not about the group. The company has not prepared group accounts because it is entitled to claim the medium sized group exemption.

21. **CONTROL**

During this and the previous year each shareholder owned a minority interest in the company, therefore no one individual exercised control.