

# 09 - 03 - 95

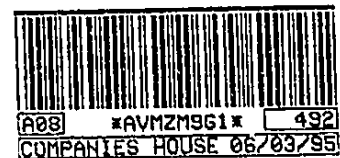
DIRECT WINES (WINDSOR) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 1994

COMPANY NUMBER: 1095091



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## DIRECT WINES [WINDSOR] LIMITED COMPANY INFORMATION

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### DIRECTORS

A.H.G. Laithwaite [Joint Chairman]  
B.A. Laithwaite [Joint Chairman]  
B.G. Hodder [Managing Director]  
E.H. Laithwaite  
J. Cassin  
D.J. Wright  
W. de W.W. Symons  
A.S. Fraser  
P.F. Diamond  
A. J. Bentham  
D. Hamilton

### SECRETARY

D Hamilton

### REGISTERED OFFICE

New Aquitaine House  
Paddock Road, Reading  
Berkshire RG4 0JY

### BANKERS

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

### AUDITORS

Messrs. Stainton & Shafto  
21 Wigmore Street  
London W1H 9LA

### SOLICITORS

Messrs. Turner Kenneth Brown  
100 Fetter Lane  
London EC4A 1DD

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DIRECT WINES [WINDSOR] LIMITED  
REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1994

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## DIRECT WINES [WINDSOR] LIMITED CHAIRMAN'S STATEMENT

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We are pleased to report that turnover and profit both reached record levels in the year just ended. Turnover increased by some 27% to over £24.5 million and profit by 71% to £881,000.

This was achieved in tough trading conditions against increasing competition.

We were again successful in recruiting a large number of new customers. The cost of this depresses profits in the year of recruitment, but provides a platform from which to increase sales in the following year and thereafter. We are in fact already seeing in the current year the benefit — substantially increased levels of sales, which are coming from these new customers.

One of the big changes in recent years has been the increase in the total number of people who work for the company on a part-time or temporary basis, especially during the build up to the Christmas peak. These staff are all very important to the business and without them we would just not be able to provide the high levels of service which are so vital to the home delivery wine business.

As a company, we have a total commitment to service, and we continually strive to improve service levels. During the last year we have been delivering our customers' orders faster than ever before. Much investment has taken place in recent years and we are now embarking on significant improvements to our systems. This will help to maintain and improve the level of service.

We have considerably expanded our wine buying department this year and this, coupled with our increased buying power, has resulted in an improvement in the quality of wine we offer our customers. Also the ways in which we offer these wines continue to increase in both number and sophistication.

We have never felt the business to be more dynamic and creative than it is in its 25th year!

We would like to thank everyone who works for the company for all the energy and hard work which went into last year.

Tony & Barbara Laithwaite  
Joint Chairmen

20 October 1994

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## DIRECT WINES [WINDSOR] LIMITED DIRECTORS' REPORT

The Directors present their annual report and financial statements of the Company for the year ended 30 June 1994.

### ACTIVITIES

The principal activity of the company continued to be the importing and distribution of wines.

### REVIEW OF THE BUSINESS

The company continued to make progress and expanded sales by over 25% through major growth in the customer base.

The directors continue to look forward to further advances in profitability.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation and dividends was £139,692. [1993 - £155,350]

The Directors have declared a dividend of £244.02 per share [1993 - £144.80].

The total dividend payments will amount to £231,817 and the retained profit for the year of £340,183 is carried forward to reserves.

### FIXED ASSETS

The movements in fixed assets for the year are shown in Note 11 to the accounts.

### DIRECTORS DURING THE YEAR

A H G Laithwaite  
B A Laithwaite  
B G Hodder  
E H Laithwaite  
J Cassin [French]  
D J Wright

W de W W Symons  
A S Fraser  
P D Diamond  
A J Benthall  
D Hamilton

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# **DIRECT WINES [WINDSOR] LIMITED** **DIRECTORS' REPORT (Continued)**

## **DIRECTORS INTERESTS**

The interests of the Directors in the share capital of the company, including family interests, were: -

|                     | Number of Ordinary Shares |           |
|---------------------|---------------------------|-----------|
|                     | 30. 6. 94                 | 30. 6. 93 |
| Beneficial Holdings |                           |           |
| A H G Laithwaite    | 510                       | 510       |
| E H Laithwaite      | 10                        | 10        |
| B A Laithwaite      | 250                       | 250       |
| J Cassin [French]   | 30                        | 30        |

No other Director held a beneficial interest in the shares of the company.

## **TRUSTEE HOLDINGS**

The following Directors had non-beneficial interests, as follows, in the shares of the company as trustees of a trust, of whom the beneficiaries are the children of A H G Laithwaite and B A Laithwaite.

|  | Number of Ordinary Shares |           |
|--|---------------------------|-----------|
|  | 30. 6. 94                 | 30. 6. 93 |
| E H Laithwaite, D J Wright and<br>B A Laithwaite jointly | 150                       | 150       |

## **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 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.

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DIRECT WINES [WINDSOR] LIMITED  
DIRECTORS' REPORT [Continued]

POLITICAL AND CHARITABLE DONATIONS

No political donations were made within the year.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The company maintained insurance during the financial year for officers against any liability which otherwise would attach to them in respect of any negligence, default, breach of duty or trust in relation to the company.

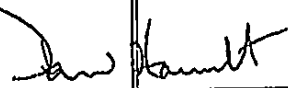
AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution to re-appoint Messrs Stainton & Shafto as the Company's Auditors will be proposed at the Annual General Meeting.

This report was approved by the Board on

20<sup>th</sup> October 1994

Signed on behalf of the Directors,



D Hamilton

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**DIRECT WINES [WINDSOR] LIMITED**  
**AUDITORS' REPORT TO THE MEMBERS OF DIRECT WINES [WINDSOR] LIMITED**

We have audited the financial statements on pages 9 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 12 and 13.

**Respective responsibilities of directors and auditors**

As described on page 6 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled to the exemption conferred by Section 229 of the Companies Act 1985 from the requirement to prepare group accounts for the year ended 30 June 1994.

**STANTON & SHAFTO**  
*Registered Auditors and*  
*Chartered Accountants*  
 21 Wigmore Street  
 London W1H 9LA

*Stanton & Shafto*

*20th October 1994*



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**DIRECT WINES [WINDSOR] LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1994**

| <u>YEAR TO</u><br><u>30.6.93</u> |  |       | <u>YEAR TO</u><br><u>30.6.94</u> |
|----------------------------------|--|-------|----------------------------------|
| £                                |  | NOTES | £                                |
| 19,202,504                       | TURNOVER   | 2     | 24,457,684                       |
| 11,087,599                       | Cost of sales  | 3     | 13,808,803                       |
| 8,114,905                        | GROSS PROFIT   |       | 10,648,881                       |
| 7,686,279                        | Distribution costs & Administrative expenses             | 3     | 9,860,265                        |
| 428,626                          | OPERATING PROFIT   | 4     | 788,616                          |
| 77,910                           | Other income   | 7     | 99,008                           |
| 9,331                            | Profit on sale of fixed assets                           |       | -                                |
| 515,867                          | PROFIT ON ORDINARY ACTIVITIES<br>BEFORE INTEREST PAYABLE |       | 887,624                          |
| 301                              | Interest payable   | 8     | 6,115                            |
| 515,566                          | PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION         |       | 881,509                          |
| 227,000                          | Taxation on Ordinary Activities                          | 9     | 310,000                          |
| 288,566                          | PROFIT ON ORDINARY ACTIVITIES<br>AFTER TAXATION          |       | 571,509                          |
| 133,216                          | Dividends  | 10    | 231,817                          |
| 155,350                          | RETAINED PROFITS FOR THE YEAR                            |       | 339,692                          |
| 1,226,759                        | Retained profits brought forward                         |       | 1,382,109                        |
| 1,382,109                        | RETAINED PROFITS CARRIED FORWARD                         |       | 1,721,801                        |

There were no recognised gains or losses other than those included in the Profit & Loss account.  
None of the Company's activities were acquired or discontinued during the year.

*The notes on pages 12 to 20 form part of these financial statements.*

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## DIRECT WINES [WINDSOR] LIMITED BALANCE SHEET AS AT 30 JUNE 1994

| 30.6.93<br>£ |  | NOTES | 30.6.94<br>£ |
|--------------|--|-------|--------------|
|              | <b>FIXED ASSETS</b>  |       |              |
| 471,994      | Tangible assets  | 11    | 604,622      |
| 6,143        | Investment   | 12    | 6,143        |
|              | <b>CURRENT ASSETS</b>  |       |              |
| 1,473,772    | Stock  | 13    | 2,593,398    |
| 1,287,848    | Debtors  | 14    | 1,694,831    |
| 2,004,420    | Cash at bank and in hand                                       |       | 1,891,441    |
|              |  |       |              |
| 4,766,040    |  |       | 6,179,670    |
| 3,687,543    | <b>CREDITORS: Amounts falling due within one year</b>          | 15    | 4,801,339    |
|              |  |       |              |
| 1,078,497    | <b>NET CURRENT ASSETS</b>                                      |       | 1,378,331    |
|              |  |       |              |
| 1,556,634    | <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | 1,989,096    |
|              |  |       |              |
| 173,575      | <b>CREDITORS: Amounts falling due after more than one year</b> | 16    | 266,345      |
|              |  |       |              |
| 1,383,059    | <b>NET ASSETS</b>  |       | 1,722,751    |
|              |  |       |              |
|              | <b>CAPITAL AND RESERVES</b>                                    |       |              |
| 950          | Called up share capital  | 18    | 950          |
| 1,382,109    | Profit and Loss account  |       | 1,721,801    |
|              |  |       |              |
| 1,383,059    | Shareholders' funds  | 23    | 1,722,751    |

  
DIRECTOR

The accounts were approved by the Board of Directors on

20<sup>th</sup> October 1994

The notes on pages 12 - 20 form part of these financial statements

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DIRECT WINES [WINDSOR] LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 1994

| YEAR TO<br>30.6.93<br>£ |  | NOTES | YEAR TO<br>30.6.94<br>£ |
|-------------------------|--|-------|-------------------------|
| 1,255,222               | NET CASH INFLOW FROM<br>OPERATING ACTIVITIES       | 22    | 430,710                 |
|                         | RETURNS ON INVESTMENTS<br>AND SERVICING OF FINANCE |       |                         |
| (100,000)               | Dividends paid                                     |       | (133,216)               |
| 73,878                  | Interest receivable                                |       | 96,065                  |
| 1,229,100               |  |       | 443,559                 |
|                         | TAXATION   |       |                         |
| (112,913)               | Corporation Tax paid [Including ACT]               |       | (231,526)               |
| 1,116,187               |  |       | 212,033                 |
|                         | INVESTING ACTIVITIES                               |       |                         |
| (6,143)                 | Payment to acquire Fixed Asset Investment          |       | -                       |
| (308,837)               | Payments to acquire Tangible Fixed Assets          |       | (383,024)               |
| 170,762                 | Receipts from sale of Tangible Fixed Assets        |       | 58,012                  |
| 971,969                 | INCREASE IN CASH EQUIVALENTS                       | 24    | (112,979)               |

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**DIRECT WINES [WINDSOR] LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1994**

**1. ACCOUNTING POLICIES**

**a) Basis of preparation of accounts**

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards.

**b) Stock**

Stock has been valued at the lower of cost and net realisable value making due allowances for obsolete and slow moving stocks.

**c) Production costs**

Wine production costs borne directly by the company are allocated to the anticipated offtake of specific products and are added to the direct costs of the wine when it is purchased. Costs relating to products not delivered by the year end are carried forward in the balance sheet as a prepayment.

**d) Membership fees**

Annual and new life membership fees for The Wine Club are accounted for on an accruals basis.

**e) Foreign exchange**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at which the currency has been purchased to settle the transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All exchange differences other than those referred to above are dealt with through the profit and loss account.

**f) Depreciation**

Depreciation is calculated to write off the cost of fixed assets over their expected useful lives [see note 11].

**g) Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**h) Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

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**DIRECT WINES [WINDSOR] LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1994**

**1. i) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**2. TURNOVER**

Turnover represents the value of goods, membership subscriptions, trips, tastings and commissions, invoiced to customers during the year, less returns, excluding Value Added Tax.

**3. COST OF SALES AND EXPENSES**

|                                | 1994<br>£         | 1993<br>£         |
|--------------------------------|-------------------|-------------------|
| Cost of sales                  | <u>13,808,803</u> | <u>11,087,599</u> |
| Selling and distribution costs | 6,329,997         | 4,785,532         |
| Administrative expenses        | <u>3,530,268</u>  | <u>2,900,747</u>  |
|                                | <u>9,860,265</u>  | <u>7,686,279</u>  |

**4. OPERATING PROFIT**

Stated after charging/(crediting):-

|                                    |         |         |
|------------------------------------|---------|---------|
| Directors' emoluments [note 6]     | 691,238 | 527,373 |
| Hire of Plant & Machinery          |         |         |
| - Operating leases                 | 48,773  | 75,671  |
| Hire of Other Assets               |         |         |
| - Operating leases                 | 214,142 | 192,146 |
| Finance charges payable            |         |         |
| - Finance leases                   | 14,215  | 8,396   |
| Depreciation of owned assets       | 126,455 | 120,636 |
| Depreciation of leased assets      | 65,929  | 45,992  |
| Auditors remuneration              | 17,400  | 16,280  |
| Profit on disposal of fixed assets | -       | (9,331) |

**5. PARTICULARS OF EMPLOYEES**

Average number of employees [including directors] during the year

Aggregate payroll costs of employees [including directors]

Wages and salaries

Social Security costs

Pension and other costs

|  | NUMBER           | NUMBER           |
|--|------------------|------------------|
|  | <u>118</u>       | <u>97</u>        |
|  | £                | £                |
|  | 1,861,866        | 1,480,675        |
|  | 189,375          | 161,447          |
|  | 234,741          | 242,885          |
|  | <u>2,285,982</u> | <u>1,885,007</u> |

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## DIRECT WINES [WINDSOR] LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1994

|  | 1994<br>£         | 1993<br>£         |
|--|-------------------|-------------------|
| <b>6. DIRECTORS' EMOLUMENTS</b>  |                   |                   |
| In respect of services as directors:                                     |                   |                   |
| Aggregate emoluments including pension payments and benefits             | <u>691,238</u>    | <u>527,373</u>    |
| Emoluments of the Joint Chairmen   | <u>163,276</u>    | <u>171,951</u>    |
| Emoluments of the highest paid director                                  | <u>133,188</u>    | <u>101,767</u>    |
| Emoluments of other directors:—  |                   |                   |
| Number of directors within the ranges:                                   | No.               | No.               |
| £  |                   |                   |
| — To 5,000   | 1                 | 1                 |
| 5,001 To 10,000  | 3                 | 3                 |
| 40,001 To 45,000   | —                 | 1                 |
| 45,001 To 50,000   | —                 | 1                 |
| 55,001 To 60,000   | —                 | 2                 |
| 70,001 To 75,000   | 2                 | —                 |
| 80,001 To 85,000   | 2                 | —                 |
|  | <u>          </u> | <u>          </u> |
| <b>7. OTHER INCOME</b>   | 1994<br>£         | 1993<br>£         |
| Interest receivable  | 96,065            | 73,878            |
| Rent receivable  | 2,943             | 4,032             |
|  | <u>99,008</u>     | <u>77,910</u>     |
| <b>8. INTEREST PAYABLE</b>   |                   |                   |
| On bank loans and overdrafts and other loans repayable within five years | 1,365             | 301               |
| On late payment of corporation tax                                       | 4,750             | —                 |
|  | <u>6,115</u>      | <u>301</u>        |

**DIRECT WINES [WINDSOR] LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1994**

**9. TAX ON PROFIT ON ORDINARY ACTIVITIES**

Based on the profit for the year: -

Corporation tax @ 33% [1993 - 33%]

Corporation tax (over)/under provided in previous years

| 1994<br>£      | 1993<br>£      |
|----------------|----------------|
| 310,767        | 196,445        |
| (767)          | 30,555         |
| <u>310,000</u> | <u>227,000</u> |

**10. DIVIDENDS**

Proposed dividend on £1 ordinary shares

|                |                |
|----------------|----------------|
| 231,817        | 133,216        |
| <u>231,817</u> | <u>133,216</u> |

**11. TANGIBLE FIXED ASSETS**

The fixed assets note appears on page 16.

**12. FIXED ASSET INVESTMENT**

The company owns the entire share capital of Direct Wines (Castillon) SARL, a company incorporated in France. The results of this company have not been incorporated in the accounts of the company as they satisfy the exemptions from preparing group accounts in accordance with Section 229 of the Companies Act 1985.

DIRECT WINES (WINDSOR) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1994

**II. FIXED ASSETS**

|                        | Freehold<br>Property<br>£ | Property Imp<br>& Shop<br>Premium<br>£ | Office furniture and equipment<br>Owned<br>£ | Leased<br>£ | Warehouse<br>Furniture &<br>Fixtures<br>£ | Exhibition<br>Stand<br>£ | Motor<br>Vehicle<br>£ | TOTAL<br>£ |
|------------------------|---------------------------|--|--|-------------|---|--------------------------|-----------------------|------------|
| <b>Cost:</b>           |                           |  |  |             |   |                          |                       |            |
| As at 1.7.93           | 96,580                    | 204,855                                | 607,570                                      | 259,338     | 39,414                                    | 22,135                   | 21,056                | 1,260,898  |
| Additions              | -                         | 53,422                                 | 192,626                                      | 115,235     | 21,741                                    | -                        | -                     | 383,024    |
| Disposals              | -                         | -                                      | (61,262)                                     | -           | -   | -                        | -                     | (61,262)   |
| As at 30.6.94          | 96,580                    | 258,277                                | 738,884                                      | 384,573     | 61,155                                    | 22,135                   | 21,056                | 1,582,660  |
| <b>Depreciation:</b>   |                           |  |  |             |   |                          |                       |            |
| As at 1.7.93           | 11,521                    | 197,102                                | 422,246                                      | 107,895     | 22,103                                    | 20,341                   | 7,856                 | 788,904    |
| Provision for the year | 1,331                     | 16,549                                 | 94,405                                       | 65,929      | 7,112                                     | 1,794                    | 5,264                 | 192,384    |
| Disposals              | -                         | -                                      | (3,250)                                      | -           | -   | -                        | -                     | (3,250)    |
| As at 30.6.94          | 12,652                    | 213,651                                | 513,401                                      | 173,824     | 29,215                                    | 22,135                   | 13,160                | 978,038    |

**Net Book Value:**

|               |        |        |         |         |        |       |        |         |
|---------------|--------|--------|---------|---------|--------|-------|--------|---------|
| As at 1.7.93  | 83,928 | 44,626 | 225,483 | 210,749 | 31,940 | -     | 7,896  | 604,622 |
| As at 30.6.94 | 85,259 | 7,753  | 185,274 | 161,443 | 17,311 | 1,794 | 13,160 | 471,994 |

The assets are depreciated on a straight line basis over the following number of years:-

|                           |   |                                |               |
|---------------------------|---|--------------------------------|---------------|
| Freehold buildings:       | 50 years.   | Office furniture & equipment   | 3 to 5 years. |
| Shop Premises:            | The shorter of the lease life & 10 years.                                       | Warehouse fixtures & fittings: | 7 years.      |
| Improvements to Property: | The shorter of the lease life & 5 years.  | Exhibition stands:             | 3 years.      |
| Leased assets:            | The shorter of the primary term of the lease and the useful life of the assets. | Motor Vehicles                 | 4 years.      |



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**DIRECT WINES [WINDSOR] LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1994**

|  | 1994<br>£        | 1993<br>£        |
|--|------------------|------------------|
| <b>13. STOCK</b>   |                  |                  |
| Raw materials and consumables                                | 99,765           | 66,781           |
| Goods for resale   | 2,493,633        | 1,406,991        |
|  | <u>2,593,398</u> | <u>1,473,772</u> |
| <b>14. DEBTORS</b>   |                  |                  |
| <i>Due within one year:—</i>                                 |                  |                  |
| Trade debtors  | 754,684          | 576,199          |
| Amount owed by group undertaking                             | 86,464           | 29,511           |
| Other debtors  | 24,350           | 46,222           |
| Prepayments and accrued income                               | 594,425          | 456,482          |
|  | <u>1,459,923</u> | <u>1,108,414</u> |
| <i>Due after more than one year:—</i>                        |                  |                  |
| Prepayments and accrued income                               | 176,953          | 140,758          |
| Deferred Asset   | 57,955           | 38,676           |
|  | <u>234,908</u>   | <u>179,434</u>   |
| Total debtors  | <u>1,694,831</u> | <u>1,287,848</u> |
| <b>15. CREDITORS</b>   |                  |                  |
| <i>Amounts falling due within one year:—</i>                 |                  |                  |
| Obligations under finance leases and hire purchase contracts | 78,034           | 48,090           |
| Trade creditors  | 3,153,594        | 2,418,781        |
| Corporation tax  | 272,090          | 193,616          |
| Advance corporation tax                                      | 57,955           | 38,676           |
| Other creditors  | 35,335           | 21,045           |
| Other taxes and social security costs                        | 652,378          | 613,754          |
| Accruals and deferred income                                 | 320,136          | 220,365          |
| Proposed dividend  | 231,817          | 133,216          |
|  | <u>4,801,339</u> | <u>3,687,543</u> |

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**DIRECT WINES [WINDSOR] LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1994**

|   |                  |               |                  |        |
|---|------------------|---------------|------------------|--------|
|   | 1994<br>£        | 1993<br>£     |                  |        |
| 16. CREDITORS:  |                  |               |                  |        |
| Amounts falling due after more than one year:—  |                  |               |                  |        |
| Obligations under finance leases and hire purchase contracts  | 141,146          | 126,950       |                  |        |
| Accruals and deferred income  | 125,199          | 46,625        |                  |        |
|   | <hr/> 266,345    | <hr/> 173,575 |                  |        |
| 17. CONTINGENT LIABILITIES  |                  |               |                  |        |
| The company has given indemnities to its bankers in respect of guarantees made by the company amounting to £405,000 [1993 — £405,000] |                  |               |                  |        |
| 18. SHARE CAPITAL   |                  |               |                  |        |
|   | 1994<br>£        | 1993<br>£     |                  |        |
| Authorised ordinary shares of £1 each   | 1,000,000        | 1,000,000     |                  |        |
| Issued and fully paid ordinary shares of £1 each  | 950              | 950           |                  |        |
| 19. OPERATING LEASES — COMMITMENTS  |                  |               |                  |        |
|   | 1994<br>£        | 1993<br>£     | 1993<br>£        |        |
|   | Land & Buildings | Other         | Land & Buildings | Other  |
| Annual Commitments in respect of Operating leases which expire:   |                  |               |                  |        |
| — within one year   | —                | 77,005        | 39,583           | 83,824 |
| — between 2 to 5 years  | 102,771          | 73,338        | —                | 63,154 |
| — over 5 years  | 42,150           | —             | 42,150           | —      |

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DIRECT WINES [WINDSOR] LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1994

20. CAPITAL COMMITMENTS

|                                   | 1994<br>£ | 1993<br>£ |
|-----------------------------------|-----------|-----------|
| Authorised but not contracted for | —         | —         |
| Authorised and contracted for     | —         | —         |

21. SECURITY

Under a debenture charge dated 30th March, 1979 the company's bank holds a fixed and floating charge over the assets of the company in respect of any monies which may become due.

22. NET CASH INFLOW FROM OPERATING ACTIVITIES

|   | 1994<br>£   | 1993<br>£ |
|---|-------------|-----------|
| Profit before taxation                    | 881,509     | 515,566   |
| Depreciation (net)                        | 192,384     | 157,297   |
| (Increase)/Decrease in stock              | (1,119,626) | 75,481    |
| (Increase) in debtors                     | (406,983)   | (161,977) |
| Increase in creditors                     | 1,029,491   | 742,733   |
| Interest receivable                       | (96,065)    | (73,878)  |
| Net Cash Inflow from operating activities | 480,710     | 1,255,222 |

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23. RECONCILIATION OF MOVEMENT IN  
SHAREHOLDERS' FUNDS

|                                    | 1994<br>£ | 1993<br>£ |
|------------------------------------|-----------|-----------|
| Profit for the year                | 571,509   | 288,566   |
| Dividend                           | (231,817) | (133,216) |
| Retained profit for the year       | 339,692   | 155,350   |
| Shareholders funds at 1 July 1993  | 1,383,059 | 1,227,709 |
| Shareholders funds at 30 June 1994 | 1,722,751 | 1,383,059 |

24. ANALYSIS OF CHANGE IN CASH  
AND CASH EQUIVALENTS DURING THE YEAR

|                           | 1994<br>£ | 1993<br>£ |
|---------------------------|-----------|-----------|
| Balance at 1 July 1993    | 2,004,420 | 1,032,451 |
| Net Cash (outflow)/inflow | (112,979) | 971,969   |
| Balance at 30 June 1994   | 1,891,441 | 2,004,420 |

25. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS  
AS SHOWN IN THE BALANCE SHEET

|                          | Change in<br>Year<br>£ | 1994<br>£ | 1993<br>£ |
|--------------------------|------------------------|-----------|-----------|
| Cash at Bank and in Hand | (112,979)              | 1,891,441 | 2,004,420 |