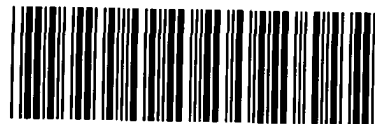


JEROBOAMS LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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for the Year Ended 31 March 2019**

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JEROBOAMS LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2019

DIRECTORS:	Peter C Rich Hugh F D Sturges Nigel J Wright Edward I Rich Matthew F Tipping
SECRETARY:	Caroline A Hall
REGISTERED OFFICE:	43 Portland Road London W11 4LJ
REGISTERED NUMBER:	02887007 (England and Wales)
SENIOR STATUTORY AUDITOR:	Theo Banos BA FCA
AUDITORS:	Duncan & Toplis Limited, Statutory Auditor 3 Castlegate Grantham Lincolnshire NG31 6SF

JEROBOAMS LIMITED

GROUP STRATEGIC REPORT for the Year Ended 31 March 2019

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

REVIEW OF BUSINESS

As shown in the group's statement of comprehensive income on page 8, the group made a profit after tax of £268,775 (2018: £138,382 loss).

The directors are pleased with the performance for 2019. High street retail remains a challenging market place, as is the wider macro-economic environment in times of uncertainty.

The business has been able to increase revenue by £1.6m (6.9%) and our gross profit of £6.2m has increased compared to last year (£5.5m). Pleasingly the margin percentage has also improved, to 24.2% from 22.8% last year.

The business issued £3m of new shares in the year, the proceeds of which were used to pay down loans.

The above results have seen the business move from a net liability position to having net assets of £889k

DEVELOPMENT AND PERFORMANCE

The company continues to review the market places it operates within and allocates resources and investment in areas with the most potential, and where it can see suitable returns. It expects to see continued improved returns in the new financial year as the impact of this investment pays off.

Competition in both retail and the corporate market remain intense, however the business's extensive knowledge and experience of the UK wine market allows the business to continue growing both the top and bottom line results.

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

KEY PERFORMANCE INDICATORS

	2019 £'000	2018 £'000	% inc / (dec)
Revenue	25,834	24,172	6.9
Gross profit	6,269	5,511	13.8
Gross profit %	24.2	22.8	
Net profit before taxation	315	(59)	633.9
Earnings before interest, tax, depreciation and amortisation	812	337	140.9

JEROBOAMS LIMITED

GROUP STRATEGIC REPORT for the Year Ended 31 March 2019

PRINCIPAL RISKS AND UNCERTAINTIES

Financial Instruments

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

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

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

Foreign currency risk

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

Liquidity Risk

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

Credit Risk

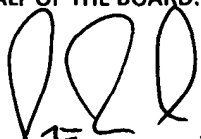
The group's principal financial assets are bank balances and cash which represent the group's maximum exposure to credit risk in relation to financial assets.

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

EU Referendum Result

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

ON BEHALF OF THE BOARD:



Peter C Rich - Director

20 August 2019

JEROBOAMS LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31 March 2019

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activities of the group are that of wine and spirit merchants and the retailing of cheese and fine foods.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

Peter C Rich
Hugh F D Sturges
Nigel J Wright

Other changes in directors holding office are as follows:

Edward I Rich - appointed 21 March 2019
Matthew F Tipping - appointed 21 March 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

JEROBOAMS LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2019**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'P. C. Rich', followed by a period.

Peter C Rich - Director

20 August 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JEROBOAMS LIMITED

Opinion

We have audited the financial statements of Jeroboams Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JEROBOAMS LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

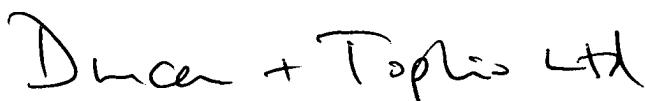
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

20 August 2019

JEROBOAMS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 31 March 2019

		2019		2018 as restated	
	Notes	£	£	£	£
TURNOVER			25,834,411		24,172,037
Cost of sales			19,565,456		18,660,751
GROSS PROFIT			6,268,955		5,511,286
Distribution costs		1,148,544		1,070,825	
Administrative expenses		4,682,660		4,446,770	
			5,831,204		5,517,595
			437,751		(6,309)
Other operating income			71,408		56,826
OPERATING PROFIT	4		509,159		50,517
Loss/(profit) on derivative forward contracts	5		54,735		4,682
			454,424		45,835
Interest payable and similar expenses	6		139,674		104,527
PROFIT/(LOSS) BEFORE TAXATION			314,750		(58,692)
Tax on profit/(loss)	7		45,975		79,690
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			268,775		(138,382)
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			268,775		(138,382)
Profit/(loss) attributable to: Owners of the parent			268,775		(138,382)
Total comprehensive income attributable to: Owners of the parent			268,775		(138,382)

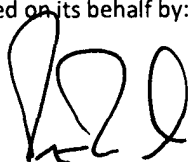
The notes form part of these financial statements

JEROBOAMS LIMITED (REGISTERED NUMBER: 02887007)

CONSOLIDATED BALANCE SHEET
31 March 2019

		2019		2018 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		176,818		34,839
Tangible assets	11		1,070,982		1,058,677
Investments	12		-		-
			<u>1,247,800</u>		<u>1,093,516</u>
CURRENT ASSETS					
Stocks	13	5,024,795		3,859,855	
Debtors	14	2,687,933		2,471,898	
Cash at bank		1,066,981		927,050	
		<u>8,779,709</u>		<u>7,258,803</u>	
CREDITORS					
Amounts falling due within one year	15	6,461,696		5,299,296	
NET CURRENT ASSETS			<u>2,318,013</u>		<u>1,959,507</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,565,813</u>		<u>3,053,023</u>
CREDITORS					
Amounts falling due after more than one year	16		(2,625,000)		(5,400,000)
PROVISIONS FOR LIABILITIES	20		(51,722)		(32,707)
NET ASSETS/(LIABILITIES)			<u>889,091</u>		<u>(2,379,684)</u>
CAPITAL AND RESERVES					
Called up share capital	21		3,750,000		750,000
Share premium			340,000		340,000
Retained earnings			(3,200,909)		(3,469,684)
SHAREHOLDERS' FUNDS			<u>889,091</u>		<u>(2,379,684)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 20 August 2019 and were signed on its behalf by:



Peter C Rich - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 March 2019

		2019		2018 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		3,639,999		639,999
			<u>3,639,999</u>		<u>639,999</u>
CURRENT ASSETS					
Debtors	14	3,155,334		5,932,459	
Cash at bank		17,845		90,720	
		<u>3,173,179</u>		<u>6,023,179</u>	
CREDITORS					
Amounts falling due within one year	15	84,217		159,217	
NET CURRENT ASSETS			<u>3,088,962</u>		<u>5,863,962</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,728,961		6,503,961
CREDITORS					
Amounts falling due after more than one year	16		2,625,000		5,400,000
NET ASSETS			<u>4,103,961</u>		<u>1,103,961</u>
CAPITAL AND RESERVES					
Called up share capital	21		3,750,000		750,000
Share premium			340,000		340,000
Retained earnings			13,961		13,961
SHAREHOLDERS' FUNDS			<u>4,103,961</u>		<u>1,103,961</u>
Company's profit for the financial year			<u>-</u>		<u>947</u>

The financial statements were approved and authorised for issue by the Board of Directors on 20 August 2019 and were signed on its behalf by:



Peter C Rich - Director

JEROBOAMS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2017	750,000	(3,331,302)	340,000
Changes in equity			
Total comprehensive income	-	(138,382)	-
Balance at 31 March 2018	750,000	(3,469,684)	340,000
Changes in equity			
Issue of share capital	3,000,000	-	-
Total comprehensive income	-	268,775	-
Balance at 31 March 2019	3,750,000	(3,200,909)	340,000
	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2017	(2,241,302)	-	(2,241,302)
Changes in equity			
Total comprehensive income	(138,382)	-	(138,382)
Balance at 31 March 2018	(2,379,684)	-	(2,379,684)
Changes in equity			
Issue of share capital	3,000,000	-	3,000,000
Total comprehensive income	268,775	-	268,775
Balance at 31 March 2019	889,091	-	889,091

The notes form part of these financial statements

JEROBOAMS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2017	750,000	476,351	340,000	1,566,351
Prior year adjustment	-	(463,337)	-	(463,337)
As restated	750,000	13,014	340,000	1,103,014
Changes in equity				
Total comprehensive income	-	464,284	-	464,284
Balance at 31 March 2018	750,000	477,298	340,000	1,567,298
Prior year adjustment	-	(463,337)	-	(463,337)
As restated	750,000	13,961	340,000	1,103,961
Changes in equity				
Issue of share capital	3,000,000	-	-	3,000,000
Balance at 31 March 2019	3,750,000	13,961	340,000	4,103,961

The notes form part of these financial statements

JEROBOAMS LIMITED
**CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2019**

		2019	2018
		£	as restated £
Cash flows from operating activities	Notes		
Cash generated from operations	1	651,289	177,791
Tax paid		(9,218)	-
Net cash from operating activities		<u>642,071</u>	<u>177,791</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(168,782)	(9,916)
Purchase of tangible fixed assets		(343,684)	(401,642)
Net cash from investing activities		<u>(512,466)</u>	<u>(411,558)</u>
Cash flows from financing activities			
Loan repayments in year		(2,850,000)	(150,000)
Interest paid		(139,674)	(104,527)
Share issue		3,000,000	-
Net cash from financing activities		<u>10,326</u>	<u>(254,527)</u>
Increase/(decrease) in cash and cash equivalents		<u>139,931</u>	<u>(488,294)</u>
Cash and cash equivalents at beginning of year	2	927,050	1,415,344
Cash and cash equivalents at end of year	2	<u><u>1,066,981</u></u>	<u><u>927,050</u></u>

The notes form part of these financial statements

JEROBOAMS LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2019**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018 as restated
	£	£
Profit/(loss) before taxation	314,750	(58,692)
Depreciation charges	362,586	286,444
Loss on disposal of fixed assets	914	-
Finance costs	139,674	104,527
	<u>817,924</u>	<u>332,279</u>
Increase in stocks	(1,164,940)	(200,915)
(Increase)/decrease in trade and other debtors	(221,353)	28,866
Increase in trade and other creditors	1,219,658	17,561
	<u>651,289</u>	<u>177,791</u>
Cash generated from operations	<u>651,289</u>	<u>177,791</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31/3/19	1/4/18
	£	£
Cash and cash equivalents	<u>1,066,981</u>	<u>927,050</u>

Year ended 31 March 2018

	31/3/18	1/4/17
	as restated	
	£	£
Cash and cash equivalents	<u>927,050</u>	<u>1,415,344</u>

The notes form part of these financial statements

JEROBOAMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31 March 2019

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The financial reporting standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain assets and financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

The group financial statements consolidate the financial statements of Jeroboams Limited and its subsidiary undertakings drawn up to 31 March each year. The parent company has taken advantage of section 408 of the Companies House Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit for the year was £Nil (2018: £947).

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess between the cost of the business combination and the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;

The disclosure above is incorporated within these consolidated financial statements.

Significant judgements and estimates

Investment in subsidiary undertakings

The results of subsidiaries acquired or disposed of during the year are included in the total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods.

Turnover from the sale of goods is recognised when the goods are confirmed as available by the supplier and the customer order is confirmed.

Revenue in respect of En Primeur sales is recognised when invoiced and the amount is payable by the customer. The cost of the goods to be delivered is included in cost of sales and creditors. Payment has usually been made to the supplier before delivery of the goods. Payment on account have been recorded as a reduction in the related creditor. The commercial risk of the goods passes from the company to the customer once ordered and therefore the directors believe it is applicable to recognise En Primeur revenue on invoicing.

Goodwill, being the amount paid in connection with the acquisition of a business in 2019, is being amortised evenly over its estimated useful life of five years.

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Website development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- How the website will generate probable future economic benefit.
- The ability to use the website.
- The ability to measure reliably the expenditure attributable to the website during its development.
- The availability of adequate technical, financial and other resources to complete the development and use the website

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives using the straight-line method.

Website development	5 years
---------------------	---------

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

Stocks

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

Stocks are accounted for on a weighted average cost basis.

Taxation

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

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

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

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

Deferred tax

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Debtors

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

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Short-term employee benefits

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

Pension contributions

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

Leased assets and obligations

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

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

Derivative financial instruments

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

Impairment of assets

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Provisions for liabilities

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

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

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

Transactions and balances

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

Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

3. EMPLOYEES AND DIRECTORS

	2019	2018 as restated
	£	£
Wages and salaries	2,697,304	2,550,921
Social security costs	280,292	263,390
Other pension costs	49,320	28,118
	<u>3,026,916</u>	<u>2,842,429</u>

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

	2019	2018 as restated
Office and management	28	28
Shops	41	40
Distribution	1	1
	<u>70</u>	<u>69</u>

	2019	2018 as restated
	£	£
Directors' remuneration	<u>406,219</u>	<u>216,741</u>

JEROBOAMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019

3. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	2019	2018 as restated
	£	£
Emoluments etc	<u>255,483</u>	<u>216,741</u>

4. OPERATING PROFIT

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

	2019	2018 as restated
	£	£
Depreciation - owned assets	330,465	272,768
Loss on disposal of fixed assets	914	-
Goodwill amortisation	15,000	-
Website development amortisation	11,803	13,669
Foreign exchange differences	(253,600)	(35,723)
Operating lease payments	583,307	546,873
Auditors remuneration - audit services	25,000	25,000
Auditors remuneration - other services	<u>9,000</u>	<u>5,000</u>

5. LOSS/(PROFIT) ON DERIVATIVE FORWARD CONTRACTS

	2019	2018 as restated
	£	£
Loss on derivative forward contracts	<u>54,735</u>	<u>4,682</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018 as restated
	£	£
Interest payable to related parties	<u>139,674</u>	<u>104,527</u>

7. TAXATION

Analysis of the tax charge

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

	2019	2018 as restated
	£	£
Current tax:		
UK corporation tax	26,960	-
Deferred tax	<u>19,015</u>	<u>79,690</u>
Tax on profit/(loss)	<u>45,975</u>	<u>79,690</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2019	2018 as restated
	£	£
Profit/(loss) before tax	<u>314,750</u>	<u>(58,692)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	59,803	(11,151)
Effects of:		
Expenses not deductible for tax purposes	17,279	7,082
Capital allowances in excess of depreciation	-	(5,586)
Depreciation in excess of capital allowances	8,849	-
tax rates		
Tax losses not utilised	-	89,345
Brought forward tax losses utilised in the year	<u>(39,956)</u>	<u>-</u>
Total tax charge	<u>45,975</u>	<u>79,690</u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. PRIOR YEAR ADJUSTMENT

A prior year adjustment was required to recognise the write off of an intragroup loan that had only been written off by the indebted company and not the parent company.

The adjustment reduced the investment assets and the retained earnings by £463,337. There was no adjustment required in the income statement.

The prior year adjustment has no effect on the consolidated financial statements of the group.

JEROBOAMS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019
10. INTANGIBLE FIXED ASSETS
Group

	Goodwill £	Website development £	Totals £
COST			
At 1 April 2018	-	204,461	204,461
Additions	150,000	18,782	168,782
At 31 March 2019	150,000	223,243	373,243
AMORTISATION			
At 1 April 2018	-	169,622	169,622
Amortisation for year	15,000	11,803	26,803
At 31 March 2019	15,000	181,425	196,425
NET BOOK VALUE			
At 31 March 2019	135,000	41,818	176,818
At 31 March 2018	-	34,839	34,839

11. TANGIBLE FIXED ASSETS
Group

	Short leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 April 2018	1,246,361	1,016,238	2,262,599
Additions	178,488	165,196	343,684
Disposals	-	(7,782)	(7,782)
At 31 March 2019	1,424,849	1,173,652	2,598,501
DEPRECIATION			
At 1 April 2018	754,927	448,995	1,203,922
Charge for year	155,298	175,167	330,465
Eliminated on disposal	-	(6,868)	(6,868)
At 31 March 2019	910,225	617,294	1,527,519
NET BOOK VALUE			
At 31 March 2019	514,624	556,358	1,070,982
At 31 March 2018	491,434	567,243	1,058,677

JEROBOAMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2019

12. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £	Loans to group undertakings £	Totals £
COST			
At 1 April 2018	1,955,212	302,796	2,258,008
Additions	3,000,000	-	3,000,000
Disposals	(555,009)	(302,796)	(857,805)
At 31 March 2019	4,400,203	-	4,400,203
PROVISIONS			
At 1 April 2018	1,315,213	302,796	1,618,009
Reversal of impairments	(555,009)	(302,796)	(857,805)
At 31 March 2019	760,204	-	760,204
NET BOOK VALUE			
At 31 March 2019	3,639,999	-	3,639,999
At 31 March 2018	639,999	-	639,999

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Jeroboams Shops Limited

Registered office: England and Wales

Nature of business: Wine Merchant

	%
Class of shares:	holding
Ordinary	100.00

Laytons Wine Merchants Limited

Registered office: England and Wales

Nature of business: Wine Merchant

	%
Class of shares:	holding
Ordinary	100.00

Laytons Wine Services Limited

Registered office: England and Wales

Nature of business: Wine Merchant

	%
Class of shares:	holding
Ordinary	100.00

JEROBOAMS LIMITED
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019**
12. FIXED ASSET INVESTMENTS - continued
Mr Christian's Limited

Registered office: England and Wales

Nature of business: Delicatessen

Class of shares:	%
Ordinary	holding 100.00

13. STOCKS

	Group	
	2019	2018 as restated
	£	£
Finished goods	5,024,795	3,859,855

Stock recognised in cost of sales during the year as an expense was £19,565,456 (2018 - £18,660,754)

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018 as restated	2019	2018 as restated
	£	£	£	£
Trade debtors	2,187,378	2,118,651	-	-
Amounts owed by group undertakings	-	-	3,155,334	5,932,459
Other debtors	196,932	135,876	-	-
Corporation tax	8	8	-	-
Prepayments and accrued income	303,615	217,363	-	-
	<u>2,687,933</u>	<u>2,471,898</u>	<u>3,155,334</u>	<u>5,932,459</u>

Included within company debtors is £2,625,000 (2018: £5,400,000) which is due in more than one year.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018 as restated	2019	2018 as restated
	£	£	£	£
Trade creditors	3,202,545	2,789,156	-	-
Amounts owed to group undertakings	75,000	150,000	75,000	150,000
Taxation	26,960	9,218	-	-
Other taxes and social security	542,951	465,039	-	-
Other creditors	1,668,561	1,180,220	9,217	9,217
Derivative financial liabilities	79,192	24,457	-	-
Accruals and deferred income	866,487	681,206	-	-
	<u>6,461,696</u>	<u>5,299,296</u>	<u>84,217</u>	<u>159,217</u>

JEROBOAMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018 as restated	2019	2018 as restated
	£	£	£	£
Amounts owed to group undertakings	<u>2,625,000</u>	<u>5,400,000</u>	<u>2,625,000</u>	<u>5,400,000</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2019	2018 as restated
	£	£
Within one year	487,613	415,892
Between one and five years	1,384,332	1,173,062
In more than five years	506,247	585,435
	<u>2,378,192</u>	<u>2,174,389</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2019	2018 as restated
	£	£
Group loan	<u>2,700,000</u>	<u>5,550,000</u>

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

JEROBOAMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31 March 2019

19. FINANCIAL INSTRUMENTS

The group has the following financial instruments:

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	2,187,378	2,118,651
Other debtors	191,614	135,876
Financial liabilities at fair value through profit or loss		
Derivative financial instrument	79,192	24,457
Financial liabilities measured at amortised cost		
Trade creditors	3,202,545	2,789,156
Other creditors	1,668,561	1,180,220
Amounts owed to group undertakings	2,700,000	5,550,000

The income, expenses, net gains and net losses attributable to the company's financial instruments are summarised as follows:

Net (gains) and losses (including changes in fair value)

Financial liabilities measured at fair value through profit or loss	54,735	4,682
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The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £nil (2018: £nil) and £139,674 (2018: £104,527) respectively.

Derivative financial instruments

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency debtors. At 31 March 2019, the outstanding contracts all mature within 5 months of the year end. The group is committed to buy £2,920,000 (2018: £2,650,000) in euros at a rate recorded in each contract.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP:EUR.

20. PROVISIONS FOR LIABILITIES

	2019 £	Group 2018 as restated £
Deferred tax		
Accelerated capital allowances	54,195	34,725
Other timing differences	(2,473)	(2,018)
	<u>51,722</u>	<u>32,707</u>

JEROBOAMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2019

20. PROVISIONS FOR LIABILITIES - continued

Group	Deferred tax £
Balance at 1 April 2018	32,707
Charge to statement of comprehensive income	19,015
Balance at 31 March 2019	<u>51,722</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018 as restated
Number:	Class:		£	£
3,750,000	Ordinary	£1	<u>3,750,000</u>	<u>750,000</u>

3,000,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

22. RELATED PARTY DISCLOSURES

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

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Other related parties

	2019	2018 as restated
	£	£
Interest payable	-	104,527
Amount due to related party	-	<u>5,550,000</u>

The group paid rent to a company in which one of the directors has a material interest amounting to £160,000 (2018: £200,143).

Key management personnel compensation is considered to be the same as reported under directors' remuneration disclosed in note 3.

23. ULTIMATE CONTROLLING PARTY

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