

Registered Number: 08532287

Direct Wines Europe Limited
Annual report and financial statements
For the year ended 30 June 2023

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Direct Wines Europe Limited

Annual report and financial statements for the year ended 30 June 2023

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Company information

Directors

J W H Weir
D B Gates

Company secretary

M E Brady

Registered office

One Waterside Drive
Arlington Business Park
Theale
Berkshire
RG7 4SW

Solicitors

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF
United Kingdom

Strategic report for the year ended 30 June 2023

The directors present their strategic report on the Company for the period ended 30 June 2023.

Business review and principal activities

The Company no longer holds any investments in subsidiary undertakings.

The full statement of comprehensive income is set out on page 5.

The balance sheet reflects the position of the Company and reflects all the events stated above.

Risk Management

The principal risks and uncertainties which are facing the Company are linked to the nature of the business. Management of those risks is integrated with the risks of its ultimate parent undertaking, Direct Wines Holdings Limited, and is not managed separately.

Going concern

Direct Wines Holdings Limited, the Company's ultimate parent undertaking, has indicated its intention to provide such ongoing financial support as is necessary for the Company to continue in operation and to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on the going concern basis.

Further information on the business review and risks of the Direct Wines Holdings Limited group are disclosed within the Direct Wines Holdings Limited annual report.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'J W H Weir', written over a circular stamp or seal.

J W H Weir
Director

18th October 2023

Directors' report for the year ended 30 June 2023

The directors present their annual report and the financial statements of the Company for the year ended 30 June 2023.

Results and dividends

The financial result for the period amounted to a profit of £Nil (2022: profit £24,802). Dividends paid in the period were £Nil (2022: £1,041,876)

Future developments

The future developments of the Company are disclosed in the Strategic Report.

Directors

The directors, who held office during the period and up to the date of signing the financial statements, are given below:

D B Gates
J W H Weir

Directors' and officers' liability insurance

The Company maintains liability insurance for its directors and officers.

Financial risk management

The risks and uncertainties of the Company are integrated with the risks of Direct Wines Holdings Limited, its ultimate parent undertaking, and are not managed separately.

Political and charitable contributions

The Company made no charitable donations (2022: £Nil). No political donations were made during the period (2022: £Nil).

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting standards, comprising FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and

Directors' report for the year ended 30 June 2023 (continued)

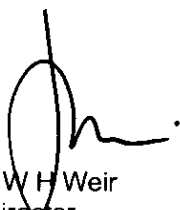
Statement of directors' responsibilities (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'J W H Weir', with a large loop at the start and a horizontal stroke at the end.

J W H Weir
Director
18th October 2023

Statement of comprehensive income for the year ended 30 June 2023

	Note	52 week period ended 30 June 2023 £'000	52 week period ended 1 July 2022 £'000
Operating income		-	25
Operating profit		-	25
Profit before income tax		-	25
Income tax expense	6	-	-
Profit for the year		-	25
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	25

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

Balance sheet as at 30 June 2023

		30 June 2023 £'000	1 July 2022 £'000
	Note		
Current assets			
Trade and other receivables	7	15	15
Total current assets		15	15
Trade and other payables		-	-
Net current assets		15	15
Total assets less current liabilities		15	15
Net assets		15	15
Capital and reserves			
Called up share capital	8	-	-
Share premium account		-	-
Retained earnings		15	15
Total equity		15	15

For the year ending 30 June 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for this year in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The notes on pages 8 to 13 are an integral part of these financial statements.

The financial statements on pages 5 to 13 were approved by the Board of directors on 18th October 2023 and were signed on its behalf by:



J W H Weir
Director
Direct Wines Europe Limited
Registered number: 08532287

Statement of changes in equity for the year ended 30 June 2023

	Called up share capital	Share premium account	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
Balance as at 2 July 2021	0	0	1,032	1,032
Total comprehensive income for the year	-	-	25	25
Share capital reduction	-	-	(1,042)	(1,042)
Total transactions, recognised directly in equity	-	-	(1,042)	(1,042)
Balance as at 1 July 2022	-	-	15	15
Total comprehensive income for the year	-	-	-	-
Balance as at 30 June 2023	-	-	15	15

Notes to the financial statements for the year ended 30 June 2023

1 General information

Direct Wines Europe Limited is a private company limited by shares and is incorporated in England. The address of its registered office is One Waterside Drive, Arlington Business Park, Theale, Berkshire, RG7 4SW.

2 Statement of compliance

The financial statements of Direct Wines Europe Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these individual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3(k).

Financial period

The financial statements are made up to the Friday nearest to 30 June each year. Periodically this results in a financial period of 53 weeks. The current accounting period is for the 52-week period ended 30 June 2023. The previous accounting period was for the 52 weeks ended 1 July 2022.

(b) Going concern

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

Notes to the financial statements for the year ended 30 June 2023 (continued)

3 Summary of significant accounting policies (continued)

(c) Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Direct Wines Holdings Limited is the group entity in which these financial statements are consolidated.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

(d) Exemption from audit by parent guarantee

Under Section 479A of the Companies Act 2006, exemption from an audit of the financial statements for the financial year ending 30 June 2023 has been taken by the Company.

(e) Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is the Pound Sterling and rounded to thousands.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in 'Other Comprehensive Income'.

Notes to the financial statements for the year ended 30 June 2023 (continued)

3 Summary of significant accounting policies (continued)

(f) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

(h) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Notes to the financial statements for the year ended 30 June 2023 (continued)

3 Summary of significant accounting policies (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(i) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements. It does not disclose transactions with members of the same group that are wholly owned.

(k) Critical accounting judgments and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of receivables

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Notes to the financial statements for the year ended 30 June 2023 (continued)

4 Employee information

The Company has no employees (2022: Nil).

5 Directors' remuneration

The directors are remunerated by fellow Direct Wines Holdings Limited group subsidiary Direct Wines Limited. No recharge is made to the Company for these costs and none of their remuneration is in respect of their services to the Company.

6 Income tax expense

(a) Tax expense included in profit or loss

	52 week period ended 30 June 2023 £'000	52 week period ended 1 July 2022 £'000
Current tax		
United Kingdom Corporation tax at 20.5% (2022: 19%)	-	-
Income tax expense	-	-

(b) Reconciliation of tax charge

The tax assessed for the period is the same level (2022: lower) as the standard rate of corporation tax in the UK for the period ended 30 June 2023 of 20.5% (2022: 19%).

The differences are explained below:

	52 week period ended 30 June 2023 £'000	52 week period ended 1 July 2022 £'000
Profit before income tax	-	25
Profit multiplied by the standard rate of corporation tax in the UK of 20.5 % (2022: 19%)	-	5
Effects of:		
Income not taxable	-	(5)
Income tax expense	-	-

(c) Tax rate changes

The blended standard rate of corporation tax in the UK for this accounting period is 20.5% (2022:19%).

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

Notes to the financial statements for the year ended 30 June 2023 (continued)

7 Trade and other receivables

	30 June 2023	1 July 2022
	£'000	£'000
Amounts owed by group undertakings	15	15

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

There were no impairment provisions against trade and other receivables (2022: £Nil).

8 Called up share capital

	30 June 2023	1 July 2022
	£'000	£'000
Authorised		
2 (2022: 2) ordinary shares of £1 each	-	-
Allotted, called up and fully paid		
2 (2022: 2) ordinary shares of £1 each	-	-

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

9 Related party transactions

The Company has taken up an exemption from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

The Company is also exempt from disclosing other related party transactions as they are with other companies that are wholly owned within Direct Wines Holdings Limited group.

10 Ultimate parent company and controlling party

The ultimate parent company is Direct Wines Holdings Limited. According to the register kept by the Company, Direct Wines Holdings Limited held indirectly a 100% interest in the equity capital of Direct Wines Europe Limited at 30 June 2023 and is the ultimate parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2023. Copies of the parent's consolidated financial statements may be obtained from Direct Wines Holdings Limited, One Waterside Drive, Arlington Business Park, Theale, Reading, Berkshire, RG7 4SW.

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