

Registered number: 09508939

UK VINTNERS (OF LONDON) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



UK VINTNERS (OF LONDON) PLC

COMPANY INFORMATION

Directors	C B Agutter P A Solle
Company secretary	R J Edwards
Registered number	09508939
Registered office	AMP House Dingwall Road Croydon Surrey CR0 2LX
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Dashwood House 69 Old Broad Street London EC2M 1QS

UK VINTNERS (OF LONDON) PLC

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 21

UK VINTNERS (OF LONDON) PLC

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The Directors' present their strategic report for the period ended 31 December 2018.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties the business may face.

Business review

Financial Performance

Although Brexit continues to dominate the financial and political landscape creating a high degree of caution within markets, fine wine remains a resilient and attractive option to new and existing clients seeking an alternative to conventional asset holdings. UKV capitalised on this to substantially increase sales by 84% during the 12-month period to produce a turnover of £6,903,541 an increase of £3,156,079 on previous year's income to achieve an end of year pre-tax profit of £233,275.

Although new business remained below projected levels, UKV attracted 91 new clients during the 12-month period, increasing the active client base by 36% to 342 which is envisaged will create additional repeat business in the coming 12 months.

The increase in existing client repeat business continues to illustrate confidence in fine wine as a tangible asset market and further demonstrates UKV brand loyalty with clients during a period which is witnessing instability within many markets and a general risk adverse attitude to speculation whilst the current political and financial limbo exist.

We are further encouraged and pleased to report reductions of exchange sales in 2018 which formed part continued commitment by UKV Directors' of the acquisition of two wine companies' clients and an undertaking to fulfil orders taken by these companies prior to UKV takeover. Although this commitment has reduced margins and profits over a 36-month period, we are beginning to realise the value of this undertaking from a significant increase in repeat sales from a larger active client base, greater brand awareness, client confidence and loyalty creating a much stronger market presence.

Future Development

UKV plan to further develop our highly successful in-house marketing team which is individually tailored to our market and able to promote the UKV brand quality to a selective audience and attract new clients more effectively than previous outsourced marketing contractors.

Our in-house team will work in conjunction with the current central London wine tasting luncheons that have proved extremely popular and successful with existing clients as these provide greater involvement and interaction between existing and prospective clients who can share first-hand experience of their dealings with UKV as a company and provide an unbiased view or opinion of the fine wine market.

UK VINTNERS (OF LONDON) PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Principal risks and uncertainties

The principal risks associated with fine wine as a business remain centred upon the right selection of stock and maintaining market awareness of what wine stock is being bought and sold within the market at any given time or season. 2018 sees a return to our primary business model, to minimise exposure by limiting physical stock levels which allows UKV to move more easily and quickly with market trends that may affect buying and selling cycles.

The reduction in stock holdings strategy also aims to insure against adverse effects that may prevail with current and ongoing political and financial circumstances connected to Brexit. This adopted business model focuses on the sourcing of specific sought-after labels on request by clients rather than holding stock which absorbs cashflow and limits flexibility and reaction time to market conditions.

Other risks associated with the fine wine market are primarily connected to logistics in the supply chain and timely fulfilment of orders placed by client, we therefore continue to only supply wine that is bottled. The policy of using only well-established trade suppliers is maintained, to ensure supply to UKV safeguards supply chain to clients.

UKV continue use an independent escrow service in 2018, which successfully reduces loss of business as clients feel secure in the knowledge that client funds are safe and not released unless the stock is held, or an order has been placed with an established trade supplier. This escrow facility offers clients peace of mind which helps to retain business, especially when the client is new to UKV.

A longstanding but highly unlikely risk to the fine wine market would be any change to the tax treatment of fine wine by HMRC or asset status of fine wine. A change of this nature would possibly make any profit realised by collectors taxable. However, any change of this type would have a positive upside to the industry as a change in asset status would likely remove the "wasting Asset" status of fine wine and therefore make it eligible within government incentivised SIPP and SASS schemes.

Financial key performance indicators

Annual sales increased in 2018 with new and repeat business totalling £6,317,462, an uplift of 124% on 2017 sales of £2.8m. A positive reduction of 37.6% in exchange sales was made in 2018 from £921,815 to £581,220 and a substantial reduction of 75% has been achieved in respect of deferred income from £1,000,424 to £246,626 over the last 12-months. 2018 has also seen a reduction in cost of sales from 92% to 81% which contributed to aid an end of year profit.


A positive increase of 40.4% in sales transactions from 566 to 795 during the trading period and a transition from new and exchange business sales to repeat business sales enhanced margins and reduced cost of sales by 11% overall.

New business remained consistent during the year, generating £418,730 in sales revenue, adding 91 new clients taking the active UKV data base up by 36% to 342 clients through the reintroduction of proactive in-house marketing and social media campaigns for 2018.

This report was approved by the board and signed on its behalf.

P A Solle
Director

Date:


4/10/19

UK VINTNERS (OF LONDON) PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company's principal activity is that of the acquisition and sale of fine wine and champagne.

Results and dividends

The profit for the year, after taxation, amounted to £233,275 (2017 - loss £580,616).

There were no dividends paid or proposed during the period.

Directors

The directors who served during the year were:

C B Agutter
P A Solle

UK VINTNERS (OF LONDON) PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial instruments

Objectives and policies

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances operated through the parent company, trade debtors and creditors. The main purpose of these instruments is to finance the business' operations.

In respect of these bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the timing of collecting debts and payment of liabilities. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of cash flow risk by the regular monitoring of amounts outstanding.

Creditors' liquidity is managed by ensuring sufficient funds are available to meet amounts due.

Matters covered in the strategic report

Disclosures of strategic importance that would usually be contained in the Directors' report are presented in the Strategic report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

P A Solle
Director

Date:

4/10/19

UK VINTNERS (OF LONDON) PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UK VINTNERS (OF LONDON) PLC

Opinion

We have audited the financial statements of UK Vintners (of London) PLC (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 December 2018 and of its 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that there are excess liabilities over assets. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report 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.

UK VINTNERS (OF LONDON) PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UK VINTNERS (OF LONDON) PLC (CONTINUED)

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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 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 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 an Auditors' Report 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 Auditors' Report.

UK VINTNERS (OF LONDON) PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UK VINTNERS (OF LONDON) PLC
(CONTINUED)

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 an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Vass (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Dashwood House
69 Old Broad Street
London
EC2M 1QS

Date: 4 / 10 / 2019

UK VINTNERS (OF LONDON) PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	6,903,541	3,746,462
Cost of sales		(5,642,356)	(3,453,667)
Gross profit		1,261,185	292,795
Administrative expenses		(1,029,244)	(873,386)
Operating profit/(loss)	5	231,941	(580,591)
Interest receivable and similar income	9	1,348	-
Interest payable and expenses	10	(14)	(25)
Profit/(loss) before tax		233,275	(580,616)
Tax on profit/(loss)	11	-	-
Profit/(loss) for the financial year		233,275	(580,616)
Total comprehensive income for the year		233,275	(580,616)

The notes on pages 11 to 21 form part of these financial statements.

UK VINTNERS (OF LONDON) PLC
REGISTERED NUMBER: 09508939

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	58,267	135,398
Tangible assets	13		303
		<u>58,267</u>	<u>135,701</u>
Current assets			
Stocks	14	40,493	171,789
Debtors: amounts falling due within one year	15	<u>726,479</u>	<u>171,766</u>
Current liabilities		<u>766,972</u>	<u>343,555</u>
Creditors: amounts falling due within one year	16	<u>(1,425,202)</u>	<u>(1,312,494)</u>
Net current liabilities		<u>(658,230)</u>	<u>(968,939)</u>
Total assets less current liabilities		<u>(599,963)</u>	<u>(833,238)</u>
Net liabilities		<u>(599,963)</u>	<u>(833,238)</u>
Capital and reserves			
Called up share capital	18	50,000	50,000
Profit and loss account	19	<u>(649,963)</u>	<u>(883,238)</u>
		<u>(599,963)</u>	<u>(833,238)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

P A Solle
Director

Date: 4/10/19

The notes on pages 11 to 21 form part of these financial statements.

UK VINTNERS (OF LONDON) PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	50,000	(883,238)	(833,238)
Comprehensive income for the year			
Profit for the year		233,275	233,275
Total comprehensive income for the year		233,275	233,275
Total transactions with owners			
At 31 December 2018	50,000	(649,963)	(599,963)

The notes on pages 11 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	50,000	(302,622)	(252,622)
Comprehensive income for the period			
Loss for the period		(580,616)	(580,616)
Total comprehensive income for the period		(580,616)	(580,616)
Total transactions with owners			
At 31 December 2017	50,000	(883,238)	(833,238)

The notes on pages 11 to 21 form part of these financial statements.

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

UK Vintners (of London) Plc (registered number 09508939) is a public Company limited by shares and is incorporated in the United Kingdom and registered in England and Wales.

The Company's registered address is AMP House, Dingwall Road, Croydon, Surrey, CR0 2LX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentational currency is GBP.

Rounding has been applied to 2 decimal places.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, despite there being an excess of liabilities over assets.

The level of cash at bank within the group post year end together with expected cash flows arising from current business levels are considered sufficient in order to enable the Company to meet its liabilities as and when they fall due, for a period of at least 12 months from the date of the approval of the accounts. The directors also anticipate that the financial performance of the Company in the twelve months following the approval of these financial statements will be strong enough to support the Company's cash flows.

Based on this, the directors believe that it is appropriate to prepare the financial statements on a going concern basis and these financial statements do not include any adjustments which would result from a failure to provide support or achieve anticipate results.

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover is recognised when a signed reservation form has been received and if not already in stock, the wine has been sourced and ordered from a supplier.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Client lists	-	3	years
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2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- over 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 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.

2.10 Creditors

Short term 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.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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.

The directors make estimates and assumptions concerning the future based on their knowledge of the business and the markets it operates in. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Judgement has been used in respect of the amortisation period of Client Lists for which an estimation of a significantly different period could materially impact the amortisation charge. The estimation has been based on the period to which the Client Lists purchased would continue to generate sales, this period was assessed as three years and continues to be reviewed at each year end. The balance of the Intangible Asset at year end was £58,267, amortisation charged in the year was £77,131.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Sale of goods	6,317,462	2,814,647
Exchanges	581,220	931,815
Commissions	4,859	-
	<u>6,903,541</u>	<u>3,746,462</u>

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

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

	2018 £	2017 £
Depreciation	303	303
Amortisation	77,131	77,131
Operating lease rentals	<u>51,307</u>	<u>315</u>

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,000	13,750
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	1,500	3,000
	1,500	3,000

7. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	70,445	28,866
Social security costs	7,434	2,609
	77,879	31,475

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

	2018 No.	2017 No.
Directors	2	2
Support and administration	2	1
	4	3

8. Directors' remuneration

Total remuneration paid to directors in the year was £Nil (2017 - £Nil).

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Interest receivable

	2018 £	2017 £
Other interest receivable	1,348	12
	<u>1,348</u>	<u>12</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	14	25
	<u>14</u>	<u>25</u>

11. Taxation

	2018 £	2017 £
Total current tax	<u>15</u>	<u>15</u>
Deferred tax	<u>14</u>	<u>14</u>
Total deferred tax	<u>14</u>	<u>14</u>
Taxation on profit on ordinary activities	<u>29</u>	<u>29</u>

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	233,275	(580,616)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	44,322	(110,317)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	20,467	16,546
Tax losses carried forward/(utilised)	(64,789)	93,771
Total tax charge for the year		

Factors that may affect future tax charges

The Company has trading losses carried forward of £105,702 (2017 - £429,394) that can be offset against future trading profits.

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Intangible assets

	Client lists £
Cost	
At 1 January 2018	231,393
At 31 December 2018	<u>231,393</u>
Amortisation	
At 1 January 2018	95,995
Charge for the year	<u>77,131</u>
At 31 December 2018	<u>173,126</u>
Net book value	
At 31 December 2018	<u>58,267</u>
At 31 December 2017	<u>135,398</u>

13. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2018	909
At 31 December 2018	<u>909</u>
Depreciation	
At 1 January 2018	606
Charge for the year on owned assets	<u>303</u>
At 31 December 2018	<u>909</u>
Net book value	
At 31 December 2018	<u>0</u>
At 31 December 2017	<u>303</u>

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Stocks

	2018	2017
	£	£
Stocks	40,493	171,789

Stock recognised in cost of sales during the year as an expense was £4,204,800 (2017 - £2,609,524)

15. Debtors

	2018	2017
	£	£
Trade debtors	556,899	3,265
Amounts owed by group undertakings	65,073	70,160
Other debtors	66,457	60,219
Called up share capital not paid	37,500	37,500
Prepayments and accrued income	550	622
	<u>726,479</u>	<u>171,766</u>

16. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	1,165,296	309,185
Other taxation and social security	10,839	-
Other creditors	2,441	2,885
Accruals and deferred income	246,626	1,000,424
	<u>1,425,202</u>	<u>1,312,494</u>

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	688,429	133,644
Financial liabilities		
Financial liabilities measured at amortised cost	(1,208,309)	(396,700)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group Companies and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

18. Share capital

	2018 £	2017 £
Allotted, called up and partly paid		
50,000 (2017 - 50,000) Ordinary shares shares of £1 each	50,000	50,000

Ordinary shares have full rights in the Company with respect to voting, dividends and distributions.

19. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

20. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	8,814	315
Later than 1 year and not later than 5 years	247	562
	9,061	877

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

21. Transactions with directors

During the year the Company advanced monies to a director of the Company of £5,000. The amount due at the year end was £38,543 (2017 - £32,195).

The maximum amount outstanding during the year was £38,543 (2017 - £32,195), interest of £1,348 (2017 - £Nil) was charged at 2.5%.

22. Related party transactions

During the year the Company made purchases from a business under the control of a close family member of a Director amounting to £272,205 (2017 - £311,955). The amount outstanding as a result of these transactions was £Nil (2017 - £Nil).

During the year, the Company made purchases from a partnership under the control of a Director amounting to £99,531 (2017 - £102,743). The amount outstanding as a result of these transactions was £Nil (2017 - £Nil).

During the year, the Company incurred expenses on behalf of a close family member of a director amounting to £Nil (2017 - £13,947). The amount outstanding at the year end was £13,947 (2017 - £13,947).

During the year, the Company was provided use of a bank account by its parent Company. The amount outstanding at the year end was £65,073 (2017 - £70,160).

Total employee benefits paid to Key Management Personnel during the year amounted to £Nil (2017 - £Nil).

23. Controlling party

The Company's parent company and controlling party is UKV International AG, whose registered office address is Bahnhofstrasse 21, 6300 Zug.

The ultimate controlling party is P Solle.