

Registered number: 09508939

UK VINTNERS (OF LONDON) PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



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

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UK VINTNERS (OF LONDON) PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The Directors' present their strategic report for the year ended 31 December 2017.

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 the announcement of Brexit sparked a negative reaction from new clients entering the fine wine market, this did not reflect a significant decline in the value of new client business in 2017 compared with that in 2016, which was less than anticipated considering the impact the referendum result had on mainstream financial and UK property markets.

Regardless of this drop in new business, we are pleased to report an overall increase of 16.3% in private sales during the period. This increase in repeat business continues to illustrate a good level of client brand loyalty and general market confidence from our existing client base in what could be viewed as trying economic times for the luxury goods market overall.

We are also encouraged by a small increase of 4.2% in the volume of 'new business' case sales and a significant 51% reduction in exchange sales which formed part of our continued commitment in 2017 to ensure the acquisition of clients from the takeover of two existing wine companies completed as smoothly as possible and UKV could honour and fulfil orders taken by these companies prior to our takeover.

Although this undertaking has reduced margins and profits for this and the preceding twelve-month period, our projections show the value of this increased active client base will realise a positive effect over the next eighteen months and secure a stronger presence within the marketplace and UKV brand awareness moving forward.

The Directors' focus is firmly placed on consolidating these additional clients, fulfilling any outstanding stock commitments and developing new sales opportunities with a larger more confident client base.

Future Development

UKV plan to develop a new high quality in-house marketing team that can be tailored better to the business and market trends promoting the UKV brand to a specific audience to attract new business more cost effectively than the current outsourced contract.

This will be in conjunction with the highly successful central London wine tasting luncheons previously held for existing clients, as this format offers greater involvement and a better understanding of UKV as a company and better awareness of fine wine market overall.

UK VINTNERS (OF LONDON) PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Principal risks and uncertainties

The main risks associated with fine wine as a business remain centred upon selection of the right stock and market awareness of what wine stock is being bought and sold within the market at any given time or season. Although our primary business model minimises this exposure by limiting physical stock levels and allows UKV to move with market trends that may affect buying and selling cycles.

We have increased stock holdings of premium wines during 2017 to take advantage and capitalise on the market movements on the most sought-after labels during the last six months which can be readily released back into the market to maintain cash flow.

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. We also continue with the policy of using only well-established trade suppliers, to ensure supply to UKV safeguards supply chain.

The Company continues to use an independent escrow service facility which offers clients peace of mind and 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

Analysis of monthly private sales show stability and maintain an average order value of £13,994 a 2.3% increase on the 2016 £13,681 figure. The new and repeat business shows an overall annual uplift of £383,651 or 16.3% from £2,351,406 in 2016 to £2,735,057 in the twelve-month period of 2017.

Exchange sales of £931,815 bring the total of new and repeat business private sales to £3,666,872 and a total turnover including trade sales to £3,746,462.

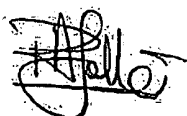
The growth of the UKV client base remains consistent showing an increase during 2017 of 38% with an addition of 69 new clients increasing the client base to a total of 251 active clients. Furthermore, we are confident this growth will increase faster with the addition of more specialised in-house marketing.

Year End Position

During the initial year of trading to 31 December 2017 the company has recognised a loss after tax of £580,616.

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

P A Solle
Director



Date:

31.07.18

UK VINTNERS (OF LONDON) PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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 loss for the year, after taxation, amounted to £580,616 (2016 - loss £78,222).

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 2017**

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. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet.

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

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

In respect of 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

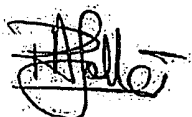
There have been no significant events affecting the Company since the year end.

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:

31.07.18

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 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, 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 2017 and of its loss 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: 31 July 2018

UK VINTNERS (OF LONDON) PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	As restated 2016 £
Turnover	4	3,746,462	4,610,506
Cost of sales		(3,453,667)	(4,001,562)
Gross profit		<u>292,795</u>	<u>608,944</u>
Administrative expenses		(873,386)	(631,648)
Operating loss	5	<u>(580,591)</u>	<u>(22,704)</u>
Interest payable and expenses	9	(25)	-
Loss before tax		<u>(580,616)</u>	<u>(22,704)</u>
Tax on loss	10	-	(55,518)
Loss for the financial year		<u>(580,616)</u>	<u>(78,222)</u>
Total comprehensive income for the year		<u>(580,616)</u>	<u>(78,222)</u>

The notes on pages 12 to 21 form part of these financial statements.

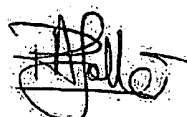
UK VINTNERS (OF LONDON) PLC
REGISTERED NUMBER: 09508939

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	135,398	212,529
Tangible assets	12	303	606
		<u>135,701</u>	<u>213,135</u>
Current assets			
Stocks	13	171,789	308,833
Debtors: amounts falling due within one year	14	171,766	223,687
		<u>343,555</u>	<u>532,520</u>
Creditors: amounts falling due within one year	15	(1,312,494)	(998,277)
Net current liabilities		<u>(968,939)</u>	<u>(465,757)</u>
Total assets less current liabilities		<u>(833,238)</u>	<u>(252,622)</u>
Net liabilities		<u>(833,238)</u>	<u>(252,622)</u>
Capital and reserves			
Called up share capital	17	50,000	50,000
Profit and loss account	18	(883,238)	(302,622)
		<u>(833,238)</u>	<u>(252,622)</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:

31.07.18

The notes on pages 12 to 21 form part of these financial statements.

UK VINTNERS (OF LONDON) PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR 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 year			
Loss for the year	-	(580,616)	(580,616)
Total comprehensive income for the year	-	(580,616)	(580,616)
Total transactions with owners			
At 31 December 2017	50,000	(883,238)	(833,238)

The notes on pages 12 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	50,000	(224,400)	(174,400)
Comprehensive income for the period			
Loss for the period	-	(78,222)	(78,222)
Total comprehensive income for the period	-	(78,222)	(78,222)
Total transactions with owners			
At 31 December 2016	50,000	(302,622)	(252,622)

The notes on pages 12 to 21 form part of these financial statements.

UK VINTNERS (OF LONDON) PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial year	(580,616)	(78,222)
Adjustments for:		
Amortisation of intangible assets	77,131	18,864
Depreciation of tangible assets	303	303
Interest paid	25	-
Taxation charge	-	55,518
Decrease/(increase) in stocks	137,044	(285,303)
Decrease/(increase) in debtors	6,898	(52,109)
Decrease/(increase) in amounts owed by groups	45,023	(115,183)
Increase in creditors	314,217	588,723
Net cash generated from operating activities	<u>25</u>	<u>132,591</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(231,393)
Purchase of tangible fixed assets	-	(909)
Net cash from investing activities	<u>-</u>	<u>(232,302)</u>
Cash flows from financing activities		
Interest paid	(25)	-
Net cash used in financing activities	<u>(25)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<u>-</u>	<u>(99,711)</u>
Cash and cash equivalents at beginning of year	-	99,711
Cash and cash equivalents at the end of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of year comprise:		
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The notes on pages 12 to 21 form part of these financial statements.

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 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 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.

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:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 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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2.5 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.

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.

2.6 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.

2.7 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.

2.8 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 2017

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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. An area considered to be potentially material to the financial statements includes the amortisation of intangible assets.

4. Turnover

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

	2017 £	2016 £
Sale of goods	2,814,647	2,702,806
Exchanges	931,815	1,907,700
	<u>3,746,462</u>	<u>4,610,506</u>

All turnover arose within the United Kingdom.

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	303	303
Amortisation of intangible assets, including goodwill	77,131	18,864
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16,750	15,000
Other operating lease rentals	315	315
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,750	15,000
	<u> </u>	<u> </u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	3,000	6,981
	<u> </u>	<u> </u>
	<u>3,000</u>	<u>6,981</u>

7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	28,866	3,835
Social security costs	2,609	-
	<u>31,475</u>	<u>3,835</u>

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

	2017 No.	2016 No.
Directors	2	2
Support and administration	1	-
	<u>3</u>	<u>2</u>

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Directors' remuneration

Total remuneration paid to directors in the year was £Nil (2016 - £Nil).

9. Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	25	-
	<u>25</u>	<u>-</u>

10. Taxation

	2017 £	2016 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	55,518
Total deferred tax	<u>-</u>	<u>55,518</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>55,518</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(580,616)	(22,704)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	(110,317)	(4,541)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,546	401
Utilisation of tax losses	-	59,616
Other timing differences leading to an increase (decrease) in taxation	-	42
Unrelieved tax losses carried forward	93,771	-
Total tax charge for the year	<u>-</u>	<u>55,518</u>

UK VINTNERS (OF LONDON) PLC

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10. Taxation (continued)

Factors that may affect future tax charges

The Company has trading losses carried forward of £534,078 (2016 - £34,817) that can be offset against future trading profits.

11. Intangible assets

	Client lists £
Cost	
At 1 January 2017	231,393
At 31 December 2017	<u>231,393</u>
Amortisation	
At 1 January 2017	18,864
Charge for the year	77,131
At 31 December 2017	<u>95,995</u>
Net book value	
At 31 December 2017	<u>135,398</u>
At 31 December 2016	<u>212,529</u>

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2017	909
At 31 December 2017	909
Depreciation	
At 1 January 2017	303
Charge for the year on owned assets	303
At 31 December 2017	606
Net book value	
At 31 December 2017	303
At 31 December 2016	606

13. Stocks

	2017 £	2016 £
Stocks	171,789	308,833

Stock recognised in cost of sales during the year as an expense was £2,609,524 (2016 - £3,243,282) .

14. Debtors

	2017 £	2016 £
Trade debtors	3,265	61,768
Amounts owed by group undertakings	70,160	115,183
Other debtors	60,219	8,614
Called up share capital not paid	37,500	37,500
Prepayments and accrued income	622	622
	171,766	223,687

UK VINTNERS (OF LONDON) PLC

**NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	309,185	339,913
Other creditors	2,885	-
Accruals and deferred income	1,000,424	658,364
	<u>1,312,494</u>	<u>998,277</u>

16. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>133,644</u>	<u>223,065</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(396,700)</u>	<u>(366,869)</u>

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.

17. Share capital

	2017 £	2016 £
Allotted, called up and partly paid		
50,000 Ordinary share shares of £1 each	<u>50,000</u>	<u>50,000</u>

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

18. Reserves

Profit and loss account

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

UK VINTNERS (OF LONDON) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

19. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	315	315
Later than 1 year and not later than 5 years	562	877
	<u>877</u>	<u>1,192</u>

20. Transactions with directors

During the year the company advanced monies to a director of the company. The amount due at the year end was £32,195 (2016 - £1,250).

The maximum amount outstanding during the year was £32,195 (2016 - £24,020), no interest was charged by the company.

21. Related party transactions

During the year the company made sales to a Company under the control of a Director amounting to £Nil (2016 - £228,491). The amount outstanding as a result of these transactions was £Nil (2016 - £194,359). The balance outstanding in the prior year was reclassified to intangible fixed assets during that year.

During the year the company also made sales to a Company under the control of a close family member of a Director amounting to £79,590 (2016 - £123,919) and purchases of £Nil (2016 - £81,680). Bad debts amounting to £79,590 were written off during the year (2016 - £Nil). The amount outstanding as a result of these transactions was £Nil (2016 - £37,034). The balance outstanding in the prior year was reclassified to intangible fixed assets during that year.

During the year the company made purchases from a Company under the control of a close family member of a Director of £311,955 (2016 - £233,550). The amount outstanding as a result of these transactions was £Nil (2016 - £Nil).

During the year the company made purchases from another Company under the control of a close family member of a Director amounting to £Nil (2016 - £320,682). The amount outstanding as a result of these transactions was £Nil (2016 - £32,000).

During the year, the Company incurred expenses on behalf of a close family member of a director amounting to £13,947 (2016 - £Nil). The amount outstanding at the year end was £13,947 (2016 - £Nil).

During the year, the Company paid sales commission to a director amounting to £5,000 (2016 - £1,050). The amount outstanding at the year end was £Nil (2016 - £Nil).

During the year, the Company was provided use of a bank account by its parent Company. The amount outstanding at the year end was £70,160 (2016 - £115,183).

Total employee benefits paid to Key Management Personnel during the year amounted to £Nil (2016 - £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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22. 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.