
WINE IMPORTERS (EDINBURGH) LIMITED

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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WINE IMPORTERS (EDINBURGH) LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors	Mr W Bell Mr G T White Mr N R Renton Sir D E Murray Mr K A Murray
Registered number	SC057340
Registered office	26 Charlotte Square Edinburgh EH2 4ET
Trading Address	Thistle House Caputhall Deans Industrial Estate Livingston EH54 8AS
Independent auditors	French Duncan LLP Chartered Accountants and Statutory Auditors 56 Palmerston Place Edinburgh EH12 5AY
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ

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WINE IMPORTERS (EDINBURGH) LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: SC057340

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	5		42,507		50,526
			<u>42,507</u>		<u>50,526</u>
Current assets					
Stocks		963,205		972,134	
Debtors: amounts falling due within one year	6	1,071,007		951,636	
Cash at bank and in hand		217,366		237,368	
		<u>2,251,578</u>		<u>2,161,138</u>	
Creditors: amounts falling due within one year	7	(1,291,976)		(1,227,010)	
Net current assets			<u>959,602</u>		<u>934,128</u>
Total assets less current liabilities			<u>1,002,109</u>		<u>984,654</u>
Creditors: amounts falling due after more than one year	8		(6,043)		(19,609)
Provisions for liabilities					
Deferred tax	9	(4,483)		(7,265)	
			<u>(4,483)</u>		<u>(7,265)</u>
Net assets			<u><u>991,583</u></u>		<u><u>957,780</u></u>
Capital and reserves					
Called up share capital			41,103		41,103
Share premium account			272,905		272,905
Capital redemption reserve			10,097		10,097
Profit and loss account			667,478		633,675
			<u><u>991,583</u></u>		<u><u>957,780</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.


The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

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


.....
Mr W Bell
Director

Date: 24/4/17.
The notes on pages 3 to 11 form part of these financial statements.

WINE IMPORTERS (EDINBURGH) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

The Company is a private company limited by shares and is incorporated in Scotland. The registered office is 26 Charlotte Square, Edinburgh, EH2 4ET. The financial statements are prepared in Sterling and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company transitioned to FRS 102 on 1 January 2015. The impact of this transition is on the disclosure in the financial statements, there was no impact or change to the company's accounting policies or reported financial position.

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 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

2.3 Tangible fixed assets

Tangible fixed assets 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	- 11% Straight line and 20% Reducing balance
Motor vehicles	- 25% Straight line
Fixtures, fittings and equipment	- 25% Straight line

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 income and retained earnings.

2.4 Leasing and hire purchase

Tangible fixed assets held under leasing arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the balance sheet at their cost or valuation less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the profit and loss account.

Rentals payable under operating leases are dealt with in the profit and loss account as incurred over the period of the rental agreement.

2.5 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 first in, first out 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 the Statement of income and retained earnings.

2.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions, during the year, which are denominated in foreign currencies are translated at the rates of exchange ruling at the date of transaction. The resulting exchange differences are dealt with in the profit and loss account.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instruments 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for foreign exchange derivatives.

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 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments and estimates have had the most significant effects on amounts recognised in the financial statements:

Property, plant and equipment

The estimates and assumptions made to determine asset lives require judgments to be made as regards to useful lives and residual values. The useful lives and residual values of the group's fixed assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets. Historically, changes in useful lives have not resulted in material changes to the group's depreciation charge.

Debtor Recoverability

Judgement is required when assessing the recoverability of trade debtors. The directors consider the financial strength of the debtor when making the judgement and determine, on the basis of this information whether an impairment provision is required.

Stock provisions

Judgement is required when assessing whether a provision is needed for stock which cannot be sold or where the selling price will not cover the cost of the stock item. The directors consider the ageing and net realisable value of the stock when making this judgement.

4. Employees

The average monthly number of employees, including directors, during the year was 20 (2015 - 19).

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

	Plant and machinery £	Motor vehicles £	Fixtures, Fittings and equipment £	Total £
Cost				
At 1 January 2016	21,704	76,129	16,007	113,840
Additions	8,690	-	-	8,690
Disposals	-	(12,900)	-	(12,900)
At 31 December 2016	<u>30,394</u>	<u>63,229</u>	<u>16,007</u>	<u>109,630</u>
Depreciation				
At 1 January 2016	19,634	27,673	16,007	63,314
Charge for the year	901	15,808	-	16,709
Disposals	-	(12,900)	-	(12,900)
At 31 December 2016	<u>20,535</u>	<u>30,581</u>	<u>16,007</u>	<u>67,123</u>
Net book value				
At 31 December 2016	<u>9,859</u>	<u>32,648</u>	<u>-</u>	<u>42,507</u>
At 31 December 2015	<u>2,070</u>	<u>48,456</u>	<u>-</u>	<u>50,526</u>

6. Debtors

	2016 £	2015 £
Trade debtors	1,022,002	885,018
Amounts owed by related undertakings	4,331	6,864
Other debtors	2,180	10,392
Prepayments and accrued income	42,494	49,362
	<u>1,071,007</u>	<u>951,636</u>

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

	2016 £	2015 £
Bank overdrafts	291,785	334,929
Trade creditors	640,413	586,889
Amounts owed to group undertakings	180	6,667
Corporation tax	10,675	22,443
Other taxation and social security	188,201	151,109
Obligations under finance lease and hire purchase contracts	14,158	18,282
Other creditors	146,564	106,691
	<u>1,291,976</u>	<u>1,227,010</u>

Bank overdrafts are secured by a bond and floating charge over the assets of the company

Hire purchase creditors are secured on the related assets

8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	6,043	19,609
	<u>6,043</u>	<u>19,609</u>

9. Deferred taxation

	2016 £	2015 £
At beginning of year	(7,265)	(4,068)
Charged to profit or loss	2,782	(3,197)
At end of year	<u>(4,483)</u>	<u>(7,265)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(4,483)	(7,265)
	<u>(4,483)</u>	<u>(7,265)</u>

10. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases totalling £490,655 (2015 - £564,590).

11. Transactions with directors

During the period, the directors purchased goods amounting to £10,493 (2015 - £15,690) from the company.

All other movements in the period were in respect of the settlement of trading amounts owed and reimbursement of expenses.

The balances due from the directors at the period end are as follows:

	Year ended 31 December 2016 £	11 months ended 31 December 2015 £
Sir D E Murray	1,069	8,591
Mr G T White	-	77
Mr W Bell	35	670
Mr N R Renton	23	-
	<u>1,127</u>	<u>9,338</u>

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NOTES TO THE FINANCIAL STATEMENTS
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12. Related party transactions

The company has taken advantage of the exemption in section 33.1A of FRS 102 not to disclose inter group transactions.

The directors of the company are considered to be key management personnel. No other employees are considered to have authority or responsibility for planning, directing and controlling the activities of the company.

Total remuneration paid by the company in respect of key management personnel was £175,993 (2015 - £180,175).

13. Controlling party

The company is a subsidiary of Chardon Wines Limited, a company registered in Scotland which holds 83.73% of the issued share capital of the company.

The ultimate controlling party of the company and the group is Sir D E Murray.

14. Auditors' information

The auditors' report for the year ended 31 December 2016 was unqualified. The Independent Auditors were French Duncan LLP and the Senior Statutory Auditor was Paula Galloway.