

**FARTHINGHOE FINE WINE
AND FOOD LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 1997**

COMPANY NO: 1123744



**Macnair Mason
Chartered Accountants**

Farthinghoe Fine Wine and Food Limited

Report and financial statements

Year ended 31st July 1997

Directors

S.G.F Cox
Lady N.C Boorman

Secretary

Mrs A J Cox

Auditors

Macnair Mason
Chartered Accountants
St Clare House
30-33 Minories
London
EC3N 1DU

Registered office

St Clare House
30-33 Minories
London
EC3N 1DU

Company number

1123744

Farthinghoe Fine Wine and Food Limited

Report and financial statements

Year ended 31st July 1997

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Farthinghoe Fine Wine and Food Limited

Report of the directors

Year ended 31st July 1997

The directors have pleasure in presenting their report, together with the audited financial statements for the year ended 31st July 1997.

Responsibilities of the directors

Company law requires the directors to prepare, for each financial year, statements which 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 year.

The directors have selected suitable accounting policies, and applied them consistently in preparing these financial statements. Where necessary, the directors have made judgements and estimates which are considered reasonable and prudent. Furthermore, the board is specifically required to consider whether or not a going concern basis is appropriate for the preparation of these financial statements.

The directors are responsible for keeping proper accounting records, which disclose at any time the financial position of the company with reasonable accuracy, records which in turn enable the board to ensure the financial statements comply with the Companies Act 1985. It is also the board's responsibility to safeguard the assets of the company and to take reasonable steps to prevent and detect fraud and other irregularities.

Principal activity

The principal activity of the company has continued to be that of acting as retailers of fine wines.

Results for the year

The results for the year are set out on page 4 of the financial statements.

Directors

The directors who held office during the year, together with their beneficial interests in the share capital of the company at the year end were as follows:

	<u>Ordinary shares of £1 each</u>	
	1997	1996
S.G.F Cox	75	75
Lady N.C Boorman	25	25

Farthinghoe Fine Wine and Food Limited

Report of the directors

Year ended 31st July 1997

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution to reappoint Macnair Mason as auditors will be put to the annual general meeting.

Financial statements

The Directors report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

By order of the board

Jane Cox

Secretary

Date: *26th February 1998*

Farthinghoe Fine Wine and Food Limited

Report of the auditors to the shareholders

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Macnair Mason
Registered Auditor
Chartered Accountants

St Clare House
30-33 Minories
London
EC3N 1DU

Date: *3rd Mar 1998*

Farthinghoe Fine Wine and Food Limited

Profit and loss account

Year ended 31st July 1997

	Notes	1997 £	1996 £
Turnover	1	748,938	548,708
Cost of sales		(534,277)	(388,630)
Gross profit		214,661	160,078
Distribution costs		(999)	(1,530)
Administrative expenses		(181,726)	(104,659)
Other income	2	6,000	6,000
Operating profit	3	37,936	59,887
Interest payable & similar charges	5	(261)	(250)
Interest receivable	4	2,005	46
Profit on ordinary activities before taxation		39,680	59,683
Tax on profit on ordinary activities	7	(10,423)	(16,507)
Profit for the financial year		29,257	43,176

All of the company's operations are classed as continuing.

A statement of the movement on reserves appears as note 14 to the financial statements.

The company had no recognised gains or losses other than the profit for the year.

Farthinghoe Fine Wine and Food Limited

Balance sheet

As at 31st July 1997

	Notes	1997	1996
		£	£
Fixed assets			
Tangible assets	8	36,736	37,930
Current assets			
Stock	9	249,098	136,277
Debtors and prepayments	10	66,277	47,300
Cash at bank and in hand		223,240	173,496
		<u>538,615</u>	<u>357,075</u>
Creditors: amounts falling due within one year	11	484,014	332,925
Net current assets		<u>54,601</u>	<u>24,149</u>
Total assets less current liabilities		<u>91,337</u>	<u>62,080</u>
Capital and reserves			
Share capital - equity	13	100	100
Profit and loss account	14	91,237	61,980
		<u>91,337</u>	<u>62,080</u>

The financial statements have been prepared in accordance with the special provisions Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board of directors on 26th February, 1998

S.G.F Cox

Farthinghoe Fine Wine and Food Limited

Statement of accounting policies

The principal accounting policies which are adopted in the preparation of the financial statements are set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off each asset evenly over its expected useful life, as follows:

Building conversion	10% of cost per annum
Motor vehicles	25% of net book value per annum
Furniture and equipment	20% of net book value per annum

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Provision is made using the liability method for all taxation in respect of short term timing differences. Provision is also made in respect of all long term timing differences which, in the opinion of the directors are likely to reverse in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

Farthinghoe Fine Wine and Food Limited

Notes to the financial statements

Year ended 31st July 1997

1 Turnover

Turnover comprises the invoiced amount of goods sold, net of value added tax.

2 Other operating income

Consultancy

1997	1996
£	£
6,000	6,000
<u>6,000</u>	<u>6,000</u>

3 Operating profit

The operating profit is stated after charging or crediting:

Depreciation on owned assets

Auditors' remuneration

Exchange gains and losses

1997	1996
£	£
7,719	6,700
4,000	3,605
4,313	(552)
<u>4,313</u>	<u>(552)</u>

4 Interest receivable

Other interest

1997	1996
£	£
2,005	46
<u>2,005</u>	<u>46</u>

5 Interest payable and similar charges

Interest payable includes:

Bank overdrafts and loans repayable within five years, not by instalments

1997	1996
£	£
261	250
<u>261</u>	<u>250</u>

Farthinghoe Fine Wine and Food Limited

Notes to the financial statements

Year ended 31st July 1997

6 Directors and employees

Staff costs, including director's remuneration, were as follows:

	1997	1996
	£	£
Wages and salaries	93,709	37,542
Social security costs	6,983	2,239
Other pension costs	10,800	12,600
	<u>111,492</u>	<u>52,382</u>

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

	1997	1996
	Number	Number
Directors	2	2
General assistants	4	4
	<u>6</u>	<u>6</u>

Director's remuneration

	1997	1996
	£	£
Directors remuneration	76,140	21,842
Pensions	10,800	12,600
	<u>86,940</u>	<u>34,442</u>

7 Taxation

	1997	1996
	£	£
UK current year taxation		
U.K. Corporation tax at 23 %	10,423	16,507
	<u>10,423</u>	<u>16,507</u>

Farthinghoe Fine Wine and Food Limited

Notes to the financial statements

Year ended 31st July 1997

8 Tangible fixed assets

	Building Conversion	Motor vehicles	Furniture and equipment	Total
Cost	£	£	£	£
At 1st August 1996	53,452	8,861	14,669	76,982
Additions	-	-	6,525	6,525
At 31st July 1997	53,452	8,861	21,194	83,507
Depreciation				
At 1st August 1996	20,639	7,947	10,466	39,052
Charge for the Year	5,345	228	2,146	7,719
At 31st July 1997	25,984	8,175	12,612	46,771
Net Book Value				
At 31st July 1997	27,468	686	8,582	36,736
At 1st August 1996	32,813	914	4,203	37,930

9 Stock

Wines and goods for resale

1997	1996
£	£
249,098	136,277
249,098	136,277

10 Debtors

Trade debtors

Other debtors

1997	1996
£	£
65,909	46,849
368	451
66,277	47,300

Farthinghoe Fine Wine and Food Limited

Notes to the financial statements

Year ended 31st July 1997

11	Creditors: amounts falling due within one year	1997	1996
		£	£
	Trade creditors	409,171	285,642
	Corporation tax	10,423	16,507
	Other taxes and social security	25,308	14,305
	Other creditors	39,112	16,470
		484,014	332,925
12	Reconciliation of shareholders' funds	1997	1996
		£	£
	Profit for the financial year	29,257	43,176
	Increase in the shareholders' funds	29,257	43,176
	Opening shareholders' funds	62,080	18,904
	Closing shareholders' funds	91,337	62,080
13	Share capital	1997	1996
		£	£
	Equity shares		
	Authorised ordinary shares of £1 each	100	100
	Allotted, issued and fully paid ordinary shares of £1 each	100	100

Farthinghoe Fine Wine and Food Limited

Notes to the financial statements

Year ended 31st July 1997

14 Reserves

	Profit and Loss Account
	£
At 1st August 1996	61,980
Profit for the year	29,257
At 31st July 1997	91,237

15 Related Parties

In the director's opinion the company is controlled by S.G.F.Cox, a director.

During the year the company purchased and sold goods in the normal course of business from and to S.G.F.Cox, a director, for £ 34,321 (1996 £ nil) and £ 2,974 (1996 £ nil) respectively. These transactions took place at market prices. At the balance sheet date there were no outstanding amounts.