

FARTHINGHOE FINE WINE LIMITED

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 JULY 2002**

**Macnair Mason
Chartered Accountants**



FARTHINGHOE FINE WINE LIMITED

COMPANY INFORMATION

DIRECTORS

S G F Cox
Lady Boorman
A A F Cox

SECRETARY

Mrs A J Cox

COMPANY NUMBER

1123744

REGISTERED OFFICE

John Stow House
18 Bevis Marks
London
EC3A 7ED

ACCOUNTANTS

Macnair Mason
Chartered Accountants
John Stow House
18 Bevis Marks
London
EC3A 7ED

FARTHINGHOE FINE WINE LIMITED

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 7

FARTHINGHOE FINE WINE LIMITED

DIRECTORS' REPORT

For the year ended 31 July 2002

The directors present their report and the financial statements for the year ended 31 July 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity continued to be that of acting as retailers of fine wines.

The Directors consider that the unexpectedly high gross profit in the year ended 31 July 2001 has resulted in a lower than expected gross profit in the year ended 31 July 2002. The Directors, guided by the company's accountants Macnair Mason, have made all reasonable efforts to determine the reason for this. They have concluded that it was most likely caused by two factors; first, computerisation of all stock brought some unknown stock to light, a one-off occurrence; second, probable errors in correctly attributing stock and invoices to the correct account at the crucial moment of 31 July and 1 August increased 2000/01 gross profit to the detriment in 2001/02. Accordingly, we all consider that viewing the two years together produces a realistic overall gross profit and that therefore the two years should be judged in tandem. This would produce a gross profit over the two years of £504,633 at a margin of 27%, which in view of the Directors represents a satisfactory situation and they will plan and budget accordingly. The company's new accounting system enables the Directors more accurately to monitor financial performance, including gross profit, on a regular basis in the current and future years.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	<u>31/7/02</u>	<u>1/8/01</u>
S G F Cox	66	66
Lady Boorman	22	22
A A F Cox	12	12

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 2 . November . 2002 and signed on its behalf.

Director



FARTHINGHOE FINE WINE LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF FARTHINGHOE FINE WINE LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 July 2002 set out on pages 3 to 7 and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records of the company and from information and explanations supplied to us.



Chartered Accountants

John Stow House
18 Bevis Marks
London
EC3A 7ED

7th November 2002

FARTHINGHOE FINE WINE LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 July 2002

	Note	2002 £	2001 £
TURNOVER	1	835,868	1,007,525
Cost of sales		<u>(671,855)</u>	<u>(666,905)</u>
GROSS PROFIT		164,013	340,620
Administrative expenses		<u>(213,813)</u>	<u>(193,303)</u>
OPERATING (LOSS)/PROFIT	2	(49,800)	147,317
Interest receivable		<u>486</u>	<u>1,360</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,314)	148,677
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	4	8,700	(30,564)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	9	(40,614)	118,113

The notes on pages 5 to 7 form part of these financial statements.

FARTHINGHOE FINE WINE LIMITED

BALANCE SHEET

As at 31 July 2002

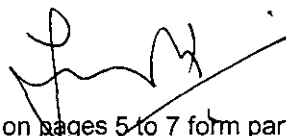
	Note	2002 £	2001 £
FIXED ASSETS			
Tangible fixed assets	5	7,625	14,691
CURRENT ASSETS			
Stocks		276,815	313,525
Debtors	6	140,142	195,065
Cash at bank		91,066	218,515
		<u>508,023</u>	<u>727,105</u>
CREDITORS: amounts falling due within one year	7	(293,388)	(478,922)
NET CURRENT ASSETS		<u>214,635</u>	<u>248,183</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>222,260</u></u>	<u><u>262,874</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	222,160	262,774
SHAREHOLDERS' FUNDS		<u><u>222,260</u></u>	<u><u>262,874</u></u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 July 2002 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 2 . November 2002 and signed on its behalf.

Director



The notes on pages 5 to 7 form part of these financial statements.

FARTHINGHOE FINE WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2002

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	10% straight line
Fixtures and fittings	-	20% reducing balance

1.4 Stock

Stocks are stated at the lower of cost and net realisable value.

1.5 Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

1.6 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 translation of those assets. All other exchange differences are dealt with through the profit and loss account.

2. OPERATING (LOSS)/PROFIT

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

	2002	2001
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	7,066	5,345
Difference on foreign exchange	986	-
	<u>7,066</u>	<u>5,345</u>

3. DIRECTORS' REMUNERATION

	2002	2001
	£	£
Aggregate emoluments	<u>64,494</u>	<u>59,559</u>

FARTHINGHOE FINE WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2002

4. TAXATION

	2002 £	2001 £
Analysis of tax charge in year		
UK corporation tax on profits of the year	-	30,564
Adjustments in respect of prior periods	(8,700)	-
Tax on profit on ordinary activities	(8,700)	30,564

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost			
At 1 August 2001 and 31 July 2002	53,452	28,146	81,598
Depreciation			
At 1 August 2001	47,364	19,543	66,907
Charge for the year	5,345	1,721	7,066
At 31 July 2002	52,709	21,264	73,973
Net book value			
At 31 July 2002	743	6,882	7,625
At 31 July 2001	6,088	8,603	14,691

6. DEBTORS

	2002 £	2001 £
Due within one year		
Trade debtors	130,753	195,065
Other debtors	9,389	-
	140,142	195,065

FARTHINGHOE FINE WINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2002

7. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	690	-
Trade creditors	234,096	414,097
Corporation tax	-	31,124
Social security and other taxes	2,200	13,362
Other creditors	56,402	20,339
	<u>293,388</u>	<u>478,922</u>

8. SHARE CAPITAL

	2002 £	2001 £
Authorised, allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. RESERVES

Profit and loss account	£
At 1 August 2001	262,774
Loss retained for the year	(40,614)
	<u>222,160</u>
At 31 July 2002	

10. PENSION SCHEME

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company. The total contributions in the year amounted to £- (2001 £-).

11. RELATED PARTIES

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