Registered number: 02190816

BERKMANN WINE CELLARS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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BERKMANN WINE CELLARS LIMITED

COMPANY INFORMATION

Directors	J K Berkmann - Founder President R A Berkmann - Managing Director W P Lowe - Chairman N R Vimala-Raj - Finance Director M Canard D Changela A J Hunt J B Kay C E Marshall B Ricard E W J Martin
Company secretary	S J Clark
Registered number	02190816
Registered office	10-12 Brewery Road London N7 9NH
Independent auditors	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor Portwall Place Portwall Lane Bristol BS1 6NA
Bankers	National Westminster Bank plc 3 Upper Street Islington London N1 0QF
Solicitors	Ingram Winter Green Bedford House 21A John Street London WX1N 2BF

BERKMANN WINE CELLARS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Strategic report	3
Independent auditors' report	4 - 5
Statement of income and retained earnings	6
Statement of financial position	7
Statement of cash flows	8 - 9
Notes to the financial statements	10 - 26

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The Directors present their report and the financial statements for the year ended 31 March 2016.

Results for the year and dividends

The profit for the year, after taxation, amounted to £1,081,733 *(2015 - £767,914)*.

A dividend of £216,000 (*2015 - £216,000*) was paid in the year.

Future developments

Berkmann Wine Cellars Limited is committed to continuing to deliver a high quality service offering to its customers and investing in its staff and assets to ensure that this is achieved.

Directors

The Directors who served during the year were:

J K Berkmann - Founder President
R A Berkmann - Managing Director
W P Lowe - Chairman
N R Vimala-Raj - Finance Director
M Canard
D Changela
A J Hunt
J B Kay
C E Marshall
B Ricard
E W J Martin (appointed 29 April 2015)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

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 judgements 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 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.

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.

This information is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 December 2016 and signed on its behalf.

R A Berkmann
Director

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report for the year ended 31 March 2016.

Principal activity and business review

The principal activity of the company during the year was that of wine merchant and importer. The directors are satisfied with the performance of the company during the year.

The results for the year show a pre-tax profit of £1,372,341 (*2015 - £989,773*) and sales for the year of £45,522,873 (*2015 - £43,511,703*).

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business, other than those disclosed above.

Principal risks and uncertainties

The management of the business and the execution of the company's strategies are subject to a number of risks including competition from both national and regional wine merchants, stock availabiliity, foreign exchange movements and the challenging economic conditions.

Financial risk management objectives and policies

The financial risk management objectives of the company in relation to financial instruments are set by the board of directors with a view to minimising its exposure to price risk, exchange risk, credit risk, liquidity risk and cash flow risk. The use of derivative instruments will be considered to mitigate risk or enhance returns, subject to strict control of exposures. Forward contracts were used during the year to mitigate exchange risk.

This report was approved by the board on 29 December 2016 and signed on its behalf.

R A Berkmann
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BERKMANN WINE CELLARS LIMITED

We have audited the financial statements of Berkmann Wine Cellars Limited for the year ended 31 March 2016, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 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.

Opinion on other matter 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' report.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BERKMANN WINE CELLARS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Jonathan Talbot (Senior statutory auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants & Statutory Auditor

Portwall Place
Portwall Lane
Bristol
BS1 6NA
Date: 5th December 2016

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	*2015 £*
Turnover	3	**45,522,873**	*43,511,703*
Cost of sales		**(34,320,340)**	*(33,315,297)*
Gross profit		**11,202,533**	*10,196,406*
Administrative expenses		**(9,782,978)**	*(9,183,007)*
Operating profit	4	**1,419,555**	*1,013,399*
Interest payable and expenses	7	**(47,214)**	*(23,626)*
Profit before tax		**1,372,341**	*989,773*
Tax on profit	8	**(290,608)**	*(221,859)*
Profit after tax		**1,081,733**	*767,914*
Retained earnings at the beginning of the year		**6,231,426**	*5,679,512*
Profit for the year		**1,081,733**	*767,914*
Dividends declared and paid		**(216,000)**	*(216,000)*
Retained earnings at the end of the year		**7,097,159**	*6,231,426*

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 26 form part of these financial statements.

BERKMANN WINE CELLARS LIMITED
REGISTERED NUMBER: 02190816

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	10		**1,250,835**		*1,375,635*
Tangible assets	11		**4,070,087**		*252,692*
Investments	12		**50,007**		*50,007*
			5,370,929		*1,678,334*
Current assets					
Stocks	13	**8,777,455**		*6,389,383*	
Debtors: amounts falling due within one year	14	**11,211,325**		*9,953,586*	
Cash at bank and in hand	15	**378,241**		*291,961*	
		20,367,021		*16,634,930*	
Creditors: amounts falling due within one year	16	**(14,407,484)**		*(9,305,930)*	
Net current assets			**5,959,537**		*7,329,000*
Total assets less current liabilities			**11,330,466**		*9,007,334*
Creditors: amounts falling due after more than one year			**(1,443,750)**		-
Provisions for liabilities					
Deferred tax	18		**(29,557)**		*(15,908)*
Net assets			**9,857,159**		*8,991,426*
Capital and reserves					
Called up share capital	19		**2,160,000**		*2,160,000*
Share premium account	20		**100,000**		*100,000*
Other reserves	20		**500,000**		*500,000*
Profit and loss account	20		**7,097,159**		*6,231,426*
Shareholders' funds			**9,857,159**		*8,991,426*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 December 2016

R A Berkmann - Managing Director
Director

N R Vimala-Raj - Finance Director
Director

The notes on pages 10 to 26 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	**1,081,733**	*767,914*
Adjustments for:		
Amortisation of intangible assets	**128,507**	*128,128*
Depreciation of tangible assets	**106,081**	*92,645*
Profit on disposal of tangible assets	**(1,500)**	-
Interest payable	**47,214**	*23,626*
Taxation charge during the year	**290,608**	*221,859*
(Increase) in stocks	**(2,388,072)**	*(870,216)*
(Increase) in debtors	**(1,257,739)**	*(1,201,819)*
Increase in creditors	**4,397,586**	*899,449*
Corporation tax paid	**(216,114)**	*(194,566)*
Net cash generated from operating activities	**2,188,304**	*(132,980)*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(3,707)**	*(1,050)*
Purchase of tangible fixed assets	**(3,923,476)**	*(53,323)*
Proceeds of tangible fixed assets	**1,500**	*2,041*
Purchase of fixed asset investments	**-**	*(50,004)*
Net cash from investing activities	**(3,925,683)**	*(102,336)*
Cash flows from financing activities		
New secured loans	**1,650,000**	-
Repayment of loans	**(41,250)**	-
Dividends paid	**(216,000)**	*(216,000)*
Interest paid	**(47,214)**	*(23,626)*
Net cash used in financing activities	**1,345,536**	*(239,626)*
Net (decrease) in cash and cash equivalents	**(391,843)**	*(474,942)*

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	*2015* *£*
Cash and cash equivalents at beginning of year	**(1,785,042)**	*(1,310,100)*
Cash and cash equivalents at the end of year	**(2,176,885)**	*(1,785,042)*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**378,241**	*291,961*
Bank overdrafts	**(2,555,126)**	*(2,077,003)*
	(2,176,885)	*(1,785,042)*

The notes on pages 10 to 26 form part of these financial statements.

1. Accounting policies

Basis of preparation of financial statements

Berkmann Wine Cellars Limited is a private limited company incorporated in England and Wales. The address of the registered office is 10-12 Brewery Road, London, N7 9NH.

These financial statements are the first annual financial statements of the company prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The first date at which FRS 102 was applied was 1 April 2014. In accordance with FRS 102 the company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

Further information about the transition to FRS 102 can be found in note 26.

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The financial statements have been prepared under the historical cost convention in accordance with the company's accounting policies.

The directors continue to be confident that the company has adequate resources to continue operations for the forseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

At the end of the year the company was under the control of its parent company, incorporated in the United Kingdom, which prepares consolidated financial statements. As a result, in accordance with section 400 of the Companies Act 2006, the company is not required to produce, and has not produced consolidated financial statements.

The financial statements present information about Berkmann Wine Cellars Limited as an individual undertaking and not about its group.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Berkamnn Family Holdings Limited as at year ended 31 March 2016 and these financial statements may be obtained from 10-12 Brewery Road, London, N7 9NH.

1. Accounting policies (continued)

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Intangible assets

Goodwill arising on the acquisition of a business is capitalised as an intangible asset.

Amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over the economic life of that as follows:

Goodwill	- over 15 years
Trademarks	- over 10 years

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on the following basis:

L/Term Leasehold Property	- over term of lease
Short leasehold property	- over term of lease
Plant & equipment	- 10 - 25% straight line
Furniture, fittings and office equipment	- 10% straight line

Works of art are not being depreciated in the financial statements. In the opinion of the directors, the useful economic life of these assets is so long that any depreciation charge would be insignificant. Regular impairment reviews are carried out on these assets and should any impairment in value occur, full provision will be made in the financial statements.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost represents purchase cost, inclusive of import duties, freight and handling charges where appropriate.

Debtors

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

1. Accounting policies (continued)

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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Financial instruments

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 Income statement.

Derivatives, including interest rate swaps and 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 interest rate and foreign exchange derivatives.

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.

Finance costs

Finance costs are charged to the Income statement 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.

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

1. Accounting policies (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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 payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

1. Accounting policies (continued)

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Accounts in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the Accounts. The areas where the most judgement is required are highlighted below:

Provisions

A provision is recognised for liabilities that are probable but uncertain in timing or amount of settlement. These include provisions for dilapidations resulting from lease commitments.

Impairment of Assets

Property, plant and equipment, and goodwill are reviewed for impairment where events or changes in circumstance indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations driven by assumptions and estimates surrounding future performance.

Stock Valuation

Stock is valued at the lower of cost and net realisable value. Where stock is considered to be impaired, it is written down to net realisable value which requires management to make an assessment of the projected retail value of that item together with the costs expected to be incurred in achieving the sale.

Bad Debt Provision

Trade debtors are assessed periodically by management for recoverability. Where a debtor balance is not considered recoverable in full, an estimate of the projected recovery is required.

3. Turnover

The turnover and results before tax are attributable to the one principal business activity of the company.

Turnover excludes additional sales of £1,277,318 (2015 - £1,009,546) where the company acts as commission agent only.

In the directors' opinion, disclosure of the geographical analysis of turnover would be prejudicial to the company's interests and has therefore been omitted.

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

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation - tangible fixed assets	**106,081**	*92,645*
Amortisation - intangible fixed assets	**128,507**	*128,128*
Difference on foreign exchange	**(320,662)**	*(296,301)*
Auditors' remuneration	**28,350**	*26,300*
Auditors' remuneration - non-audit	**9,750**	*12,965*
Operating lease rentals:		
- vehicles	**278,736**	*260,294*
- other	**60,151**	*53,544*
- land & buildings	**381,056**	*397,370*

5. Employees

Staff costs, including Directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	**5,989,731**	*5,281,571*
Social security costs	**579,602**	*507,165*
Cost of defined contribution pension scheme	**211,640**	*183,951*
	6,780,973	*5,972,687*

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

	2016 No.	2015 No.
Sales, distribution and administration	**165**	*151*

6. *Directors' remuneration*

	2016 £	*2015 £*
Directors' remuneration	**1,093,948**	*1,111,794*
Company contributions to defined contribution pension schemes	**79,240**	*72,947*
	1,173,188	*1,184,741*

During the year retirement benefits were accruing to 8 Directors *(2015 - 8)* in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £155,438 *(2015 - £132,062)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL *(2015 - £10,742)*.

7. Interest payable

	2016 £	*2015 £*
On bank loans and overdrafts	**47,214**	*23,626*

8. Taxation

	2016 £	*2015 £*
Current tax		
Current tax on profits for the year	**277,940**	*217,095*
Adjustments in respect of previous periods	**(981)**	-
Total current tax	**276,959**	*217,095*
Deferred tax		
Origination and reversal of timing differences	**15,332**	*4,764*
Changes to tax rates	**(1,683)**	-
Total deferred tax	**13,649**	*4,764*
Total tax charge for the year	**290,608**	*221,859*

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2015 - higher than)* the standard rate of corporation tax in the UK of 20% *(2015 - 21%)*. The differences are explained below:

	2016 £	*2015* *£*
Profit on ordinary activities before tax	**1,372,341**	*989,773*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	**274,468**	*207,852*
Effects of:		
Expenses not deductible for tax purposes	**12,352**	*7,887*
Fixed asset differences	**7,131**	*3,905*
Other differences leading to an increase (decrease) in the tax charge	**(3,343)**	*3,367*
Marginal relief	**-**	*(1,152)*
Total tax charge for the year	**290,608**	*221,859*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

9. Dividends

	2016 £	*2015* *£*
Dividends paid on equity capital	**216,000**	*216,000*

10. Intangible fixed assets

	Trademarks	Goodwill	Total
	£	£	£
Cost			
At 1 April 2015	**47,710**	**2,466,865**	**2,514,575**
Additions	**3,707**	**-**	**3,707**
At 31 March 2016	**51,417**	**2,466,865**	**2,518,282**
Amortisation			
At 1 April 2015	**32,647**	**1,106,293**	**1,138,940**
Charge for the year	**4,818**	**123,689**	**128,507**
At 31 March 2016	**37,465**	**1,229,982**	**1,267,447**
Net book value			
At 31 March 2016	**13,952**	**1,236,883**	**1,250,835**
At 31 March 2015	*15,063*	*1,360,572*	*1,375,635*

11. Tangible fixed assets

	S/Term Leasehold Property	L/Term Leasehold Property	Plant & machinery	Furniture, fittings and office equipment	Works of art	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2015	**22,970**	**-**	**1,106,521**	**1,084,153**	**53,500**	**2,267,144**
Additions	**-**	**3,799,758**	**118,530**	**5,188**	**-**	**3,923,476**
Disposals	**-**	**-**	**(12,500)**	**-**	**-**	**(12,500)**
At 31 March 2016	**22,970**	**3,799,758**	**1,212,551**	**1,089,341**	**53,500**	**6,178,120**
Depreciation						
At 1 April 2015	**22,717**	**-**	**969,704**	**1,022,031**	**-**	**2,014,452**
Charge for period on owned assets	**253**	**16,964**	**65,654**	**23,210**	**-**	**106,081**
Disposals	**-**	**-**	**(12,500)**	**-**	**-**	**(12,500)**
At 31 March 2016	**22,970**	**16,964**	**1,022,858**	**1,045,241**	**-**	**2,108,033**
Net book value						
At 31 March 2016	**-**	**3,782,794**	**189,693**	**44,100**	**53,500**	**4,070,087**
At 31 March 2015	*253*	*-*	*136,817*	*62,122*	*53,500*	*252,692*

12. Investments

	Shares in subsidiary undertakings	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 April 2015	**3**	**50,004**	**50,007**
At 31 March 2016	**3**	**50,004**	**50,007**
Net book value			
At 31 March 2016	**3**	**50,004**	**50,007**
At 31 March 2015	*3*	*50,004*	*50,007*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Spirit Cartel Limited (dormant)	UK	Ordinary	100 %	Dormant
T.M. Robertson & Son Limited (dormant)	UK	Ordinary	100 %	Dormant
Churchill Vintners Limited (dormant)	UK	Ordinary	100 %	Dormant

The original cost of the investments amounted to £1,855,326. This value was transferred to goodwill and amortised in 2012.

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves
	£
T.M. Robertson & Son Limited (dormant)	**2,313**
Churchill Vintners Limited (dormant)	**10,000**
	12,313

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

13. Stocks

	2016 £	2015 £
Goods for resale	**8,777,455**	*6,389,383*

14. Debtors

	2016 £	2015 £
Trade debtors	**9,407,379**	*8,411,796*
Amounts owed by group undertakings	**1,174,189**	*1,078,571*
Other debtors	**365,555**	*111,454*
Prepayments and accrued income	**264,202**	*351,765*
	11,211,325	*9,953,586*

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	**378,241**	*291,961*
Less: bank overdrafts	**(2,555,126)**	*(2,077,003)*
	(2,176,885)	*(1,785,042)*

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	**2,555,126**	*2,077,003*
Bank loans	**165,000**	-
Trade creditors	**5,626,239**	*4,094,215*
Amounts owed to group undertakings	**12,313**	*12,313*
Corporation tax	**277,940**	*217,095*
Other taxation and social security	**816,958**	*831,798*
Other creditors	**2,156,550**	*132,075*
Accruals and deferred income	**2,797,358**	*1,941,431*
	14,407,484	*9,305,930*

Overdrafts are secured on a debenture dated 12 March 2013 over all assets of the company. Counter indemnities are held in respect of VAT duty deferment bonds.

Bank loans are secured through a fixed charge on non-vesting debts, floating charges over all assets of the company and a fixed legal charge over the head lease relating to 10-12 Brewery Road, London, N7 9NH.

Trade creditor and trade debtor balances exclude amounts of £660,112 (2015 - £244,299) in respect of sales made by the company's suppliers to its customers on a "del credere" agency basis.

The company was party to nine (2015 - two) forward exchange rate contracts at the year end. In the directors' opinion the fair value of the financial instruments is not materially different to their book values at 31 March 2016.

17. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	**165,000**	-
Amounts falling due 2-5 years		
Bank loans	**1,443,750**	-
	1,608,750	-

18. Deferred taxation

	2016	2015
	£	£
At beginning of year	**(15,908)**	**(11,144)**
Charge for the year	**(13,649)**	**(4,764)**
At end of year	**(29,557)**	**(15,908)**

The provision for deferred taxation is made up as follows:

	2016	*2015*
	£	*£*
Accelerated capital allowances	**32,756**	*22,161*
Short term timing differences	**(3,199)**	*(6,253)*
	29,557	*15,908*

19. Share capital

	2016	*2015*
	£	*£*
Shares classified as equity		
Allotted, called up and fully paid		
2,160,000 Ordinary shares shares of £1 each	**2,160,000**	*2,160,000*

20. Reserves

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the company's shares are issued at an amount in excess of nominal value.

Other reserves

The other reserve account is a capital redemption reserve created on repurchase of own shares.

Profit & loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

21. Contingent liabilities

The company is party to an unlimited inter-company guarantee between all group companies in favour of The Royal Bank of Scotland Plc. At 31 March 2016, the liability to the bank under this guarantee was £3,785,635 (2015 - £1,796,773).

The company has a guarantee in favour of HM Customs and Excise which varies according to seasonal requirements. At 31 March 2016 this guarantee stood at £1,730,000 (2015 - £1,730,000).

22. Pension commitments

The pension cost charge represents contributions payable by the company to the fund and amounted to £211,640 (2015 - £183,951). Contributions totalling £35,327 (2015 - £32,533) were payable to the fund at the Statement of Financial Position date.

23. Operating lease commitments

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	**225,996**	*366,971*
Later than 1 year and not later than 5 years	**688,997**	*766,401*
Later than 5 years	**5,522,250**	*27,330*
	6,437,243	*1,160,702*

	2016 £	2015 £
Other		
Not later than 1 year	**271,766**	*379,603*
Later than 1 year and not later than 5 years	**221,509**	*493,275*
	493,275	*872,878*

24. Related party transactions

At 31 March 2016 non-trading balances of £12,313 (2015: £12,313) were due to dormant subsidiary undertakings.

At 31 March 2016, £965,644 (2015: £765,644) was due from Berkmann Family Holdings Limited, the parent undertaking, in respect of a general non-trading account.

At 31 March 2016, £208,545 (2015: £312,927) was due from Latin American Rum Traders SA, the ultimate parent company, in respect of a loan advanced, originally for £413,223. Interest of £10,618 (2015: 14,704) was charged on this loan during the year.

During the year ended 31 March 2016, £169,715 (2015: £65,379) of sales were made to a fellow subsidiary company. At the year end, £234,464 (2015: £65,379) was owed to Berkmann Wine Cellars Limited in respect of these transactions.

During the year ended 31 March 2016, sales of £640,613 (2015: £359,783) were made to companies related by common directorship. At 31 March 2016, £174,796 (2015: £127,330) was owed to Berkmann Wine Cellars Limited by these companies.

Dividends paid to Berkmann Family Holdings Limited totalled £211,500 (2015: £211,500). Dividends of £4,500 (2015: £4,500) were paid to directors of the company.

25. Ultimate parent undertaking and controlling party

The company is controlled by Berkmann Family Holdings Limited. The ultimate parent company is Latin-American Rum Traders SA, a company incorporated in Panama. Copies of the group financial statements of Berkmann Family Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ. Financial statements for the ultimate parent company are not available.

In the opinion of the directors there is no one ultimate controlling party.

26. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.