

# MORENO WINE IMPORTERS COMPANY LIMITED

Company No. 2286021

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST JANUARY 2000



# **Moreno Wine Importers Company Limited**

## **Company Information**

### **Director**

**Mr M Moreno**

### **Secretary**

**Mr C Read**

### **Registered Office**

**105 St Peter's Street  
St Albans  
Hertfordshire  
AL1 3EJ**

### **Bankers**

**Banco Bilbao Vizcaya  
142 Brompton Road  
London  
SW3 1HY**

### **Auditors**

**Kingston Smith  
105 St Peter's Street  
St Albans  
Hertfordshire  
AL1 3EJ**

# Moreno Wine Importers Company Limited

## Report of the Director

The director has pleasure in presenting his report and financial statements for the year ended 31st January 2000.

### Principal activity and business review

The principal activities of the company throughout the year were those of importing, wholesale and retailing of Spanish and South American wines.

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future.

### Results and dividend

The results of the company for the year are set out on page 3.

A dividend of £30,000 was paid on 30th June 1999.

### Director and his interests

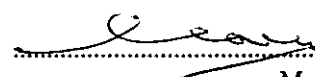
The director who served the company throughout the year together with his interests (including family interests) in the shares of the company, at the beginning and end of the year, were as follows:

|             | Ordinary shares of £1 each |                   |
|-------------|----------------------------|-------------------|
|             | 31st January 2000          | 1st February 1999 |
| Mr M Moreno | 2                          | 2                 |

### Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board

  
.....  
Mr M Moreno  
Director

105 St Peter's Street  
St Albans  
Hertfordshire  
AL1 3EJ

Date: 1/9/00 .....

# Moreno Wine Importers Company Limited

## Directors' Responsibilities and Report of the Auditors

### Statement of Director's Responsibilities

Company law requires the director to prepare financial statements for each financial year 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 period.

In preparing those financial statements, the director is required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

### Auditors' Report to the Members of Moreno Wine Importers Company Limited

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### Respective responsibilities of director and auditors

As described above, the company's director is 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.

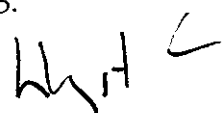
#### Basis of Opinion

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 director 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 the information and explanations which we considered 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 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 January 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Kingston Smith  
Chartered Accountants  
and Registered Auditors

Kingston Smith  
105 St Peter's Street  
St Albans  
Hertfordshire  
AL1 3EJ

Date: 15/9/00

**Moreno Wine Importers Company Limited**  
**Profit and Loss Account**  
**For the year ended 31st January 2000**

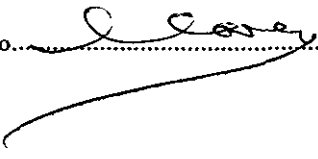
|                                               | Note | 2000<br>£   | 1999<br>£   |
|-----------------------------------------------|------|-------------|-------------|
| Turnover- continuing activities               | 2    | 4,637,797   | 4,311,456   |
| Cost of sales                                 |      | (3,809,087) | (3,317,568) |
| Gross profit                                  |      | 828,710     | 993,888     |
| Distribution costs                            |      | (328,513)   | (389,819)   |
| Administrative expenses                       |      | (223,686)   | (205,278)   |
| Operating profit- continuing activities       | 3    | 276,511     | 398,791     |
| Interest receivable and similar income        | 4    | 12,143      | 3,853       |
| Interest payable and similar charges          |      | (159)       | -           |
| Profit on ordinary activities before taxation |      | 288,495     | 402,644     |
| Taxation                                      | 6    | (64,282)    | (100,241)   |
| Profit for the financial Year                 |      | 224,213     | 302,403     |
| Dividends on equity shares                    | 7    | (30,000)    | (30,000)    |
| Retained profit transferred to reserves       | 12   | 194,213     | 272,403     |

There are no recognised gains or losses in the year other than the profit for the year.

**Moreno Wine Importers Company Limited**  
**Balance Sheet at 31st January 2000**

|                                                       | Note | 2000<br>£          | 1999<br>£          |
|-------------------------------------------------------|------|--------------------|--------------------|
| <b>Fixed Assets</b>                                   |      |                    |                    |
| Tangible assets                                       | 8    | 27,021             | 22,267             |
| <b>Current Assets</b>                                 |      |                    |                    |
| Stock                                                 | 9    | 586,930            | 487,492            |
| Debtors                                               | 10   | 1,151,378          | 940,757            |
| Cash at bank and in hand                              |      | 449,035            | 608,844            |
|                                                       |      | <u>2,187,343</u>   | <u>2,037,093</u>   |
| <b>Creditors: Amounts falling due within one year</b> | 11   | <u>(1,112,915)</u> | <u>(1,152,124)</u> |
| <b>Net Current Assets</b>                             |      | <u>1,074,428</u>   | <u>884,969</u>     |
| <b>Total Assets Less Current Liabilities</b>          |      | <u>1,101,449</u>   | <u>907,236</u>     |
| <b>Capital and Reserves</b>                           |      |                    |                    |
| Called up share capital - equity interests            | 12   | 2                  | 2                  |
| Profit and loss account                               | 12   | <u>1,101,447</u>   | <u>907,234</u>     |
| <b>Shareholders' Funds</b>                            |      | <u>1,101,449</u>   | <u>907,236</u>     |

Approved by the board on 1/5/00

Mr M Moreno 

**Moreno Wine Importers Company Limited**  
**Cash Flow Statement for the year ended 31st January 2000**

|                                                                      | Note | 2000<br>£ | 2000<br>£ | 1999<br>£ | 1999<br>£ |
|----------------------------------------------------------------------|------|-----------|-----------|-----------|-----------|
| Net Cash (Outflow)/inflow from Operating Activities                  | 14   |           | (205,787) |           | 416,636   |
| Returns on Investments and Servicing of Finance                      |      |           |           |           |           |
| Interest received                                                    |      | 12,143    |           | 3,853     |           |
| Interest paid                                                        |      | (159)     |           | -         |           |
| Net Cash Inflow from Returns on Investments<br>And Servicing Finance |      |           | 11,984    |           | 3,853     |
| Taxation                                                             |      |           |           |           |           |
| Corporation tax paid (including ACT)                                 |      | (100,241) |           | (31,834)  |           |
| Tax paid                                                             |      |           | (100,241) |           | (31,834)  |
| Capital Expenditure and Financial Investment                         |      |           |           |           |           |
| Payments to acquire tangible fixed assets                            |      | (14,108)  |           | (9,152)   |           |
| Proceeds from sale of fixed assets                                   |      | -         |           | 1,612     |           |
| Net Cash Outflow for Capital Expenditure and<br>Financial Investment |      |           | (14,108)  |           | (7,540)   |
| Equity Dividends Paid                                                |      |           | (30,000)  |           | (30,000)  |
| Increase/(Decrease) in Cash                                          | 15   |           | (338,152) |           | 351,115   |

**Moreno Wine Importers Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st January 2000**

**1 Principal Accounting Policies**

**Accounting basis and standards**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Turnover**

Turnover represents the invoiced value of goods sold and services provided net of value added tax.

**Depreciation**

Depreciation on fixed assets is provided at rates estimated to write off the cost less estimated residual value, of each asset, over its expected useful life as follows:

|                       |                      |
|-----------------------|----------------------|
| Leasehold property    | 15% reducing balance |
| Motor vehicles        | 25% reducing balance |
| Fixtures and fittings | 25% reducing balance |

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

**Deferred taxation**

Deferred tax is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

**Pension scheme arrangements**

The company makes contributions to a defined contribution scheme, the assets of the scheme being held separately from the assets of the company. The pension cost charge represents contributions payable to the scheme.

**Foreign currencies**

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

**2 Turnover**

Turnover is attributable to the principal activities of the company which arose wholly in the United Kingdom.

**Moreno Wine Importers Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st January 2000**

|                                                                                                                                                                                                                                              |                                                            |           |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------|-----------|
| 3                                                                                                                                                                                                                                            | Operating Profit                                           | 2000<br>£ | 1999<br>£ |
|                                                                                                                                                                                                                                              | The operating profit is stated after charging:             |           |           |
|                                                                                                                                                                                                                                              | Auditors' remuneration                                     | 8,000     | 5,500     |
|                                                                                                                                                                                                                                              | Depreciation - owned tangible fixed assets                 | 8,932     | 7,327     |
|                                                                                                                                                                                                                                              | Other operating lease rentals                              | 11,250    | -         |
|                                                                                                                                                                                                                                              | Loss on sale of fixed assets                               | 422       | -         |
|                                                                                                                                                                                                                                              | (Profit) on foreign exchange                               | (71,263)  | (17,895)  |
| 4                                                                                                                                                                                                                                            | Interest Receivable and Similar Income                     | 2000<br>£ | 1999<br>£ |
|                                                                                                                                                                                                                                              | Bank interest received                                     | 12,143    | 3,853     |
| 5                                                                                                                                                                                                                                            | Directors and Employees                                    | 2000<br>£ | 1999<br>£ |
|                                                                                                                                                                                                                                              | Staff costs during the year were as follows:               |           |           |
|                                                                                                                                                                                                                                              | Wages and salaries                                         | 249,010   | 254,453   |
|                                                                                                                                                                                                                                              | Social security costs                                      | 24,855    | 26,125    |
|                                                                                                                                                                                                                                              | Pension costs - money purchase scheme                      | 2,786     | -         |
|                                                                                                                                                                                                                                              |                                                            | 276,651   | 280,578   |
| <p>The average weekly number of persons employed by the company, including directors, during the year was 12 (1999 - 11).<br/> Due to the size of the company there is no formal classification of duties.</p> <p>Directors' Emoluments:</p> |                                                            |           |           |
|                                                                                                                                                                                                                                              | Emoluments                                                 | 26,091    | 27,137    |
| 6                                                                                                                                                                                                                                            | Taxation                                                   | 2000<br>£ | 1999<br>£ |
|                                                                                                                                                                                                                                              | U.K. Corporation tax at the rate of 21/20% (1999 - 22.75%) | 54,884    | 100,241   |
|                                                                                                                                                                                                                                              | Prior year adjustments - corporation tax                   | 9,398     | -         |
|                                                                                                                                                                                                                                              |                                                            | 64,282    | 100,241   |
| 7                                                                                                                                                                                                                                            | Dividends                                                  | 2000<br>£ | 1999<br>£ |
|                                                                                                                                                                                                                                              | Ordinary share dividends - Interim                         | 30,000    | 30,000    |

**Moreno Wine Importers Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st January 2000**

**8 Tangible Assets**

|                        | Leasehold Land<br>and Buildings | Motor<br>Vehicles | Fixtures and<br>Fittings | Total  |
|------------------------|---------------------------------|-------------------|--------------------------|--------|
| Cost                   | £                               | £                 | £                        | £      |
| At 1st February 1999   | 3,000                           | 20,100            | 27,531                   | 50,631 |
| Additions              | -                               | 4,960             | 9,148                    | 14,108 |
| Disposals              | -                               | (750)             | -                        | (750)  |
| At 31st January 2000   | 3,000                           | 24,310            | 36,679                   | 63,989 |
| Depreciation           |                                 |                   |                          |        |
| At 1st February 1999   | 2,392                           | 11,451            | 14,521                   | 28,364 |
| Charge for the year    | 91                              | 3,297             | 5,544                    | 8,932  |
| Eliminated on disposal | -                               | (328)             | -                        | (328)  |
| At 31st January 2000   | 2,483                           | 14,420            | 20,065                   | 36,968 |
| Net Book Value         |                                 |                   |                          |        |
| At 31st January 2000   | 517                             | 9,890             | 16,614                   | 27,021 |
| At 31st January 1999   | 608                             | 8,649             | 13,010                   | 22,267 |

**9 Stocks**

|                | 2000    | 1999    |
|----------------|---------|---------|
|                | £       | £       |
| Finished goods | 586,930 | 487,492 |

**10 Debtors**

|                                | 2000      | 1999    |
|--------------------------------|-----------|---------|
|                                | £         | £       |
| Trade debtors                  | 1,045,428 | 937,591 |
| Other debtors                  | -         | 3,166   |
| Prepayments and accrued income | 105,950   | -       |
|                                | 1,151,378 | 940,757 |

**11 Creditors: Amounts Falling Due Within One Year**

|                                 | 2000      | 1999      |
|---------------------------------|-----------|-----------|
|                                 | £         | £         |
| Bank loans and overdrafts       | 178,343   | -         |
| Trade creditors                 | 777,929   | 950,398   |
| Corporation tax                 | 64,282    | 92,741    |
| Social security and other taxes | 20,547    | 14,304    |
| Other creditors                 | 42,983    | 84,624    |
| Accruals and deferred income    | 28,831    | 10,057    |
|                                 | 1,112,915 | 1,152,124 |

**Moreno Wine Importers Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st January 2000**

**12 Shareholders' Funds**

**2000**

|                      | Profit<br>and Loss<br>Account<br>£ | Share<br>Capital<br>£ | Total<br>£       |
|----------------------|------------------------------------|-----------------------|------------------|
| At 1st February 1999 | 907,234                            | 2                     | 907,236          |
| Profit for the year  | 194,213                            | -                     | 194,213          |
| At 31st January 2000 | <u>1,101,447</u>                   | <u>2</u>              | <u>1,101,449</u> |

The share capital comprises:

Authorised:

|                                  |              |              |
|----------------------------------|--------------|--------------|
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
|----------------------------------|--------------|--------------|

Called up, allotted and fully paid:

|                              |          |          |
|------------------------------|----------|----------|
| 2 Ordinary shares of £1 each | <u>2</u> | <u>2</u> |
|------------------------------|----------|----------|

The movements in shareholders' funds in the previous year are set out below:

**1999**

|                      | Profit<br>and Loss<br>Account<br>£ | Share<br>Capital<br>£ | Total<br>£     |
|----------------------|------------------------------------|-----------------------|----------------|
| At 1st February 1998 | 634,831                            | 2                     | 634,833        |
| Profit for the year  | 272,403                            | -                     | 272,403        |
| At 31st January 1999 | <u>907,234</u>                     | <u>2</u>              | <u>907,236</u> |

**13 Parent Undertakings and Related Parties**

Mr Manuel Moreno is the director and 100% shareholder of Moreno Wine Importers Company Limited.

Included in Other Creditors is £30,000 (1999 - £28,438) due to Mr Moreno.

Administrative Expenses include rent of £7,800 (1999 - £7,200) payable to Mr Moreno.

**Moreno Wine Importers Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st January 2000**

**14 Reconciliation of Operating Profit to Net Cash  
(Outflow)/Inflow from Operating Activities**

|                                                     | 2000             | 1999           |
|-----------------------------------------------------|------------------|----------------|
|                                                     | £                | £              |
| Operating Profit                                    | 276,511          | 398,791        |
| Depreciation                                        | 8,932            | 7,327          |
| Decrease/(Increase) in stock                        | (99,438)         | 44,328         |
| Decrease/(Increase) in debtors                      | (210,621)        | 196,212        |
| (Decrease)/Increase in creditors                    | (181,593)        | (230,022)      |
| Loss on disposal of fixed assets                    | 422              | -              |
| Net cash (Outflow)/Inflow from Operating Activities | <u>(205,787)</u> | <u>416,636</u> |

**15 Reconciliation of Net Cash Flow to Movement in Net Debt**

|                                    | £                |
|------------------------------------|------------------|
| Decrease in cash in the period     | <u>(338,152)</u> |
| Movement in net debt in the period | (338,152)        |
| Net debt at 1st February 1999      | 608,844          |
| Net debt at 31st January 2000      | <u>270,692</u>   |

**16 Analysis of Changes in Net Debt**

|                          | At 1st February<br>1999<br>£ | Cash Flow<br>£   | Other<br>Changes<br>£ | At 31st January<br>2000<br>£ |
|--------------------------|------------------------------|------------------|-----------------------|------------------------------|
| Cash at bank and in hand | 608,844                      | (159,809)        | -                     | 449,035                      |
| Overdrafts               | -                            | (178,343)        | -                     | (178,343)                    |
| Total                    | <u>608,844</u>               | <u>(338,152)</u> | <u>-</u>              | <u>270,692</u>               |