

MORENO WINE IMPORTERS COMPANY LIMITED

Company No. 2286021

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST JANUARY 2002**



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 2002.

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.

The director does not recommend the payment of a dividend as the funds of the company are fully employed.

Director and his interests

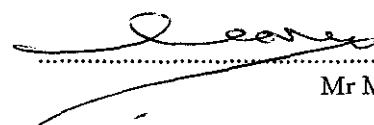
The director who served the company throughout the year together with his interests (including family interests) in the shares of the company, at the beginning and end of the year, was as follows:

	Ordinary shares of £1 each	
	31st January 2002	1st February 2001
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.

On Behalf of the Board


.....
Mr M Moreno
Director

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

Date:13/1/03.....

Moreno Wine Importers Company Limited

Directors' Responsibilities and Report of the Auditors

Statement of Directors' Responsibilities

Company law requires the directors 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 directors are 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 directors are responsible for keeping proper accounting records which 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 1985. 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.

Independent Auditors' Report to the Shareholders of Moreno Wine Importers Company Limited

We have audited the financial statements of Moreno Wine Importers Company Limited for the year ended 31st January 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

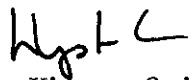
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

105 St. Peter's Street
St. Albans
Herts AL1 3EJ

Date: 24/1/03.....


Kingston Smith
Chartered Accountants
and Registered Auditors

Moreno Wine Importers Company Limited
Profit and Loss Account
For the year ended 31st January 2002

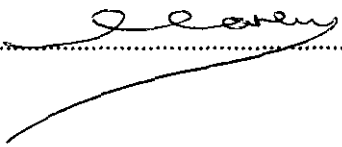
	Note	2002 £	2001 £
Turnover- continuing activities	2	5,233,567	4,403,469
Cost of sales		(4,172,236)	(3,608,933)
Gross profit		<u>1,061,331</u>	<u>794,536</u>
Distribution costs		(573,920)	(439,748)
Administrative expenses		(378,211)	(339,413)
Operating profit- continuing activities	3	<u>109,200</u>	<u>15,375</u>
Interest receivable and similar income	5	14,280	22,624
Interest payable and similar charges	6	(4,646)	(1,240)
Profit on ordinary activities before taxation		<u>118,834</u>	<u>36,759</u>
Taxation	7	(28,903)	(10,124)
Retained profit transferred to reserves	14	<u><u>89,931</u></u>	<u><u>26,635</u></u>

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 2002

	Note	£	2002 £	£	2001 £
Fixed Assets					
Tangible assets	8		22,392		33,231
Current Assets					
Stock	9	578,606		527,416	
Debtors	10	1,489,204		1,271,368	
Cash at bank and in hand		630,067		542,612	
			<u>2,697,877</u>	<u>2,341,396</u>	
Creditors: Amounts falling due within one year	11	<u>(1,502,254)</u>		<u>(1,246,034)</u>	
Net Current Assets			<u>1,195,623</u>	<u>1,095,362</u>	
Total Assets Less Current Liabilities			<u>1,218,015</u>	<u>1,128,593</u>	
Provision for Liabilities and Charges					
Deferred taxation	13		-		(509)
Net Assets			<u><u>1,218,015</u></u>	<u><u>1,128,084</u></u>	
Capital and Reserves					
Called up share capital - equity interests	14		2		2
Profit and loss account	14		<u>1,218,013</u>		<u>1,128,082</u>
Shareholders' Funds			<u><u>1,218,015</u></u>		<u><u>1,128,084</u></u>

Approved by the sole director on13/1/07.....

Mr M Moreno.....

Moreno Wine Importers Company Limited
Cash Flow Statement for the year ended 31st January 2002

	Note	2002 £	2002 £	2001 £	2001 £
Net Cash Inflow from Operating Activities	16		106,330		320,180
Returns on Investment and Servicing of Finance					
Interest received		14,180		22,624	
Interest paid		(244)		(1,240)	
Net Cash Inflow from Returns on Investments and Servicing of Finance			13,936		21,384
Taxation					
Corporation tax paid		(29,150)		(64,282)	
			(29,150)		(64,282)
Capital Expenditure and Financial Investment					
Payments made to acquire tangible assets		(7,581)		(17,219)	
Proceeds from sale of assets		475		-	
Net Cash (Outflow) from Capital Expenditure and Financial Investment			(7,106)		(17,219)
Increase in cash	17		84,010		260,063

Moreno Wine Importers Company Limited

Notes to the Financial Statements

For the year ended 31st January 2002

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

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation, 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.

Prior year adjustment

The company has made a change to the accounting policy for deferred taxation. Full provision will now be made for deferred tax. Previously deferred tax was accounted for under the liability method in respect of the taxation effects of all timing differences which were expected to reverse in the future. The directors feel that the new accounting policy for deferred tax more fairly presents the financial information of the company and the results for the year.

No adjustment to the prior year's figures is required as the full potential liability had been provided for, in the prior year, as the liability had been expected to crystallise.

Moreno Wine Importers Company Limited
Notes to the Financial Statements
For the year ended 31st January 2002

2 Turnover

The geographical analysis of turnover is as follows:

	2002 £	2001 £
United Kingdom	5,177,747	4,359,434
Europe	55,820	44,035
	<u>5,233,567</u>	<u>4,403,469</u>

3 Operating Profit

The operating profit is stated after charging:

	2002 £	2001 £
Auditors' remuneration	9,000	9,000
Auditors' remuneration for non-audit services	7,606	9,000
Depreciation - owned tangible fixed assets	7,405	11,009
Other operating lease rentals	17,933	15,000
(Profit) on foreign exchange	(15,745)	(19,138)
Loss on sale of fixed assets	10,540	-
	<u>10,540</u>	<u>-</u>

4 Directors and Employees

Staff costs during the year were as follows:

	2002 £	2001 £
Wages and salaries	484,795	400,676
Social security costs	51,450	41,131
Pension costs - money purchase scheme	8,656	5,795
	<u>544,901</u>	<u>447,602</u>

The average weekly number of persons employed by the company, including directors, during the year was 14 (2001 - 14). Due to the size of the company there is no formal classification of duties.

	2002 £	2001 £
Directors' Emoluments:		
Emoluments	<u>66,333</u>	<u>74,000</u>

5 Interest Receivable and Similar Income

	2002 £	2001 £
Bank interest received	14,181	22,624
Tax credit interest received	99	-
	<u>14,280</u>	<u>22,624</u>

Moreno Wine Importers Company Limited
Notes to the Financial Statements
For the year ended 31st January 2002

6	Interest Payable and Similar Charges	2002 £	2001 £
	Bank overdraft and loan interest	244	-
	Other interest payable	4,402	1,240
		<u>4,646</u>	<u>1,240</u>
7	Taxation	2002 £	2001 £
	(a) Analysis of charge for the year		
	Current tax:		
	<i>UK Corporation tax</i>		
	U.K. Corporation tax at the rate of 20% (2001 - 20%)	30,281	9,615
	Adjustments in respect of prior years	27	-
	Total current tax (Note: 7(b))	<u>30,308</u>	<u>9,615</u>
	Deferred tax:		
	Origination and reversal of timing differences	(1,405)	509
	Total deferred tax (Note: 13)	<u>(1,405)</u>	<u>509</u>
	Tax on profit on ordinary activities	<u>28,903</u>	<u>10,124</u>
	(b) Factors affecting the tax charge for the year		
	The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20%. The differences are explained below:		
	Profit on ordinary activities before tax	<u>118,834</u>	<u>36,759</u>
	Profit before tax multiplied by standard rate of corporation tax in the UK of 20%:	23,767	7,352
	Effects of:		
	Expenses not deductible for tax purposes	5,019	2,550
	Difference between capital allowances for the year and depreciation	1,495	(242)
	Adjustment to tax charge in respect of previous years	27	-
	Marginal rate relief	-	(45)
	Current tax charge for the year (Note: 7(a))	<u>30,308</u>	<u>9,615</u>

Moreno Wine Importers Company Limited
Notes to the Financial Statements
For the year ended 31st January 2002

8 Tangible Assets

	Leasehold Property £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost				
At 1st February 2001	3,000	31,225	46,983	81,208
Additions	-	-	7,581	7,581
Disposals	-	(26,615)	(475)	(27,090)
At 31st January 2002	3,000	4,610	54,089	61,699
Depreciation				
At 1st February 2001	2,561	18,621	26,795	47,977
Charge for the year	66	486	6,853	7,405
Eliminated on disposal	-	(15,956)	(119)	(16,075)
At 31st January 2002	2,627	3,151	33,529	39,307
Net Book Value				
At 31st January 2002	373	1,459	20,560	22,392
At 31st January 2001	439	12,604	20,188	33,231

9 Stocks	2002	2001
	£	£
Finished goods and goods for resale	578,606	527,416

10 Debtors	2002	2001
	£	£
Trade debtors	1,476,033	1,271,368
Other debtors	10,104	-
Prepayments and accrued income	3,067	-
	1,489,204	1,271,368

11 Creditors: Amounts Falling Due Within One Year	2002	2001
	£	£
Bank loans and overdrafts	15,302	11,857
Trade creditors	1,301,340	1,082,965
Corporation tax	30,281	9,615
Social security and other taxes	95,090	24,899
Other creditors	42,641	29,320
Accruals and deferred income	17,600	87,378
	1,502,254	1,246,034

Moreno Wine Importers Company Limited
Notes to the Financial Statements
For the year ended 31st January 2002

12 Future Financial Commitments

Operating leases

At 31st January 2002 the company had annual commitments under operating leases as set out below:

	2002 Land and buildings £	2001 Land and buildings £
Operating leases which expire: in the second to fifth year	33,000	15,000

13 Provisions for Liabilities and Charges
Deferred tax

	£	£
Accelerated capital allowances	(896)	509
Undiscounted provision for deferred tax	(896)	509

Movements on the provision for deferred taxation are:

	2002 £	2001 £
Provision at start of year	509	-
Deferred tax charge in profit and loss account for year (Note: 7)	(1,405)	509
Provision at end of year	(896)	509

At the 31st January 2002 the company had a deferred tax asset of £896 included in other debtors (2001 - deferred tax liability of £509 included in provision for liabilities and charges).

Moreno Wine Importers Company Limited
Notes to the Financial Statements
For the year ended 31st January 2002

14 Shareholders' Funds

2002

	Profit and Loss Account £	Share Capital £	Total £
At 1st February 2001	1,128,082	2	1,128,084
Profit for the year	89,931	-	89,931
At 31st January 2002	1,218,013	2	1,218,015

2002 £	2001 £
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The share capital comprises:

Authorised:

1,000 Ordinary shares of £1 each	1,000	1,000
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Called up, allotted and fully paid:

2 Ordinary shares of £1 each	2	2
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The movements in shareholders' funds in the previous year are set out below:

2001

	Profit and Loss Account £	Share Capital £	Total £
At 1st February 2000	1,101,447	2	1,101,449
Profit for the year	26,635	-	26,635
At 31st January 2001	1,128,082	2	1,128,084

Moreno Wine Importers Company Limited
Notes to the Financial Statements
For the year ended 31st January 2002

15 Parent Undertakings and Related Parties

Mr Manuel Moreno is the controlling party of Moreno Wine Importers Company Limited by virtue of his directorship and shareholding of the company.

Administrative expenses include rent of £7,200 (2001 - £7,200) payable to Mr Moreno.

At the balance sheet date there was a balance due to Mr Moreno on his current account of £26,000 (2001: £26,000).

Moreno Wine Importers Company Limited

Notes to the Financial Statements for the year ended 31st January 2002

		2002	2001		
		£	£		
16	Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities				
	Operating profit	109,200	15,375		
	Depreciation charge	7,405	11,009		
	Loss on sale of tangible fixed assets and investments	10,540	-		
	(Increase)/Decrease in stock	(51,190)	59,514		
	(Increase) in debtors	(207,732)	(119,990)		
	Increase in creditors	238,107	354,272		
	Net Cash Inflow from continuing Operating Activities	<u>106,330</u>	<u>320,180</u>		
17	Reconciliation of Net Cash Flow to movement in Net Funds	£	£		
	Increase in cash in the period	<u>84,010</u>			
	Movement in net funds in the year		84,010		
	Net funds at 1st February 2001		<u>530,755</u>		
	Net funds at 31st January 2002		<u>614,765</u>		
18	Analysis of changes in Net Funds	At 1st February 2001	Cash Flow	Other changes	At 31st January 2002
		£	£	£	£
	Cash at bank and in hand	542,612	87,455		630,067
	Bank overdrafts	(11,857)	(3,445)		(15,302)
			<u>84,010</u>		
	Total	<u>530,755</u>	<u>84,010</u>	<u>-</u>	<u>614,765</u>