Moreno Wine Importers Company Limited

Registered number: 02286021

Annual Report

For the period ended 31 August 2017

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COMPANY INFORMATION

Directors	D Whiteley M Moriarty I Davies A Moreno M Moreno
Company secretary	I Davies
Registered number	02286021
Registered office	11 Marylands Road Maida Vale London W9 2DU
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor One St Peter's Square Manchester M2 3DE
Bankers	BBVA S.A. 44th Floor One Canada Square Canary Wharf London E14 5AA

MORENO WINE IMPORTERS COMPANY LIMITED

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DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The directors present their report and the financial statements for the seven month period ended 31 August 2017.

Results and dividends

The loss for the period, after taxation, amounted to £137,763 (year to 31 January 2017 - loss £211,798).

The directors have not recommended a dividend to be paid for the period (2016 - £nil).

Directors

The directors who served during the period were:

D Whiteley
M Moriarty
I Davies
A Moreno
M Moreno

Directors' responsibilities statement

The directors are responsible for preparing 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 judgments 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 to 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.

Future developments

The company is continuing to invest in sales activities and new products, with the support of it's parent company, to drive growth and improve financial performance.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017

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.

Post balance sheet events

There have been no significant events affecting the company since the period end.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

I Davies
Director

Date: 25 May 2018

11 Marylands Road
Maida Vale
London
W9 2DU

Independent auditor's report to the members of Moreno Wine Importers Company Limited

Opinion

We have audited the financial statements of Moreno Wine Importers Company Limited (the 'company') for the period ended 31 August 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of the audit report

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 auditor's 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.

Material uncertainty related to going concern

We draw attention to note 2.3 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a loss and total comprehensive loss for the period of £137,763. At 31 August 2017 the company has net current liabilities of £294,326 and net liabilities of £289,511. The company is reliant on its parent company, In Vino Limited, for continued support. As stated in note 2.3, these events and conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Timothy Hudson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE

25 May 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Turnover	4	766,933	862,551
Cost of sales		(598,571)	(786,112)
Gross profit		168,362	76,439
Administrative expenses		(258,593)	(303,446)
Operating loss	5	(90,231)	(227,007)
Interest payable and expenses	9	-	(4,280)
Loss before tax		(90,231)	(231,287)
Tax on loss	10	(47,532)	19,489
Loss for the financial period		(137,763)	(211,798)

There was no other comprehensive income for the period ended 31 August 2017 (year ended 31 January 2017: £NIL).

The notes on pages 9 to 22 form part of these financial statements.

MORENO WINE IMPORTERS COMPANY LIMITED
REGISTERED NUMBER: 02286021

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note		31 August 2017 £		31 January 2017 £
Fixed assets					
Tangible assets	**11**		4,815		2,682
Current assets					
Stocks	**12**	394,323		299,604	
Debtors: amounts falling due within one year	**13**	448,860		373,692	
Cash at bank and in hand	**14**	68,972		37,009	
		912,155		710,305	
Creditors: amounts falling due within one year	**15**	(1,206,481)		(864,735)	
Net current liabilities			(294,326)		(154,430)
Total assets less current liabilities			(289,511)		(151,748)
Net liabilities			(289,511)		(151,748)
Capital and reserves					
Called up share capital	**17**		100		100
Profit and loss account	**18**		(289,611)		(151,848)
			(289,511)		(151,748)

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

I Davies
Director

Date: 25 May 2018

The notes on pages 9 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2016	100	59,950	60,050
Comprehensive income for the year			
Loss for the year	-	(211,798)	(211,798)
At 1 February 2017	100	(151,848)	(151,748)
Comprehensive income for the period			
Loss for the period	-	(137,763)	(137,763)
At 31 August 2017	100	(289,611)	(289,511)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

1. General information

Moreno Wine Importers Company Limited is a limited liability company incorporated in England and Wales. The registered office of the company is 11 Marylands Road, Maida Vale, London, W9 2DU.

The principal activity of the company is importing and distribution of wine.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The financial statements have been prepared for a period of seven months to 31 August 2017 in order to align the company's year end date with that of its parent company. As a result of the shorter period comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

The following principal accounting policies have been applied:

2.2 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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of In Vino Limited as at 31 August 2017 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ .

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis not withstanding net current liabilities at 31 August 2017 of £294,326 and net liabilities of £289,511. The directors believe this to be appropriate for the following reasons:

Business forecasts and projections show that the company will become profitable within a reasonable period of time.

The company are reliant on the parent company, In Vino Limited, for ongoing support and the board of In Vino Limited has provided the company with an undertaking that they will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available by itself or other group companies. This should enable the company to continue in operational existence for the forseeable future by meeting their liabilities as they fall due for payment. As with any company placing reliance on other entities financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reasons to believe that it will not do so.

On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 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.

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

2.12 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.

2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

2. Accounting policies (continued)

2.14 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 payment 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 Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 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 Balance Sheet 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 Balance Sheet.

2.16 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge 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 balance sheet 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 Balance Sheet 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 balance sheet date.

3. *Judgments in applying accounting policies and key sources of estimation uncertainty*

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Determining residual values and useful economic lives of property, plant and equipment
The company depreciate tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

ii) Recoverability of receivables
The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

iii) Cost of stocks
The company establishes a provision for stocks where the estimated selling price less cost to complete and sell is lower than the cost of the stock. When assessing the estimated selling price for stocks the directors have considered factors such as the aging of the stock and past sales experience.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

4. Turnover

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Wine distribution	766,933	862,551

Analysis of turnover by country of destination:

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
United Kingdom	766,933	844,261
Rest of Europe	-	18,290
	766,933	862,551

5. Operating loss

The operating loss is stated after charging:

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Depreciation of tangible fixed assets	478	881
Exchange gains and losses	12,932	(3,264)

6. Auditors' remuneration

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	4,603	1,248

7. Employees

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

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Wages and salaries	147,497	176,984
Social security costs	15,534	17,434
Cost of defined contribution scheme	12,564	4,899
	175,595	199,317

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Sales	6	5
Administration	1	1
	7	6

8. Directors' remuneration

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Directors' emoluments	57,250	78,175
Company contributions to defined contribution pension schemes	5,167	1,983
	62,417	80,158

During the period retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

9. Interest payable and similar charges

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Bank interest payable	-	3,591
Other loan interest payable	-	689
	-	4,280

10. Taxation

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Current tax on profits for the period/year	-	-
Deferred tax		
Origination and reversal of timing differences	22,193	(30,642)
Changes in rates of taxation	25,339	11,153
Total deferred tax	47,532	(19,489)
Taxation on profit/(loss) on ordinary activities	47,532	(19,489)

10. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period is higher than (year to 31 January 2017 - higher than) the standard rate of corporation tax in the UK of 19% (year to 31 January 2017 - 20%). The differences are explained below:

	Period ended 31 August 2017 £	Year ended 31 January 2017 £
Loss on ordinary activities before tax	(90,231)	(231,287)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(17,144)	(46,257)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	105	464
Capital allowances for period/year in excess of depreciation	(52)	(21)
Changes in rates of taxation	25,339	11,153
Other differences leading to a decrease in the tax charge	-	(297)
Group relief	39,284	15,469
Total tax charge for the period/year	47,532	(19,489)

Deferred taxation has been provided at 17% in accordance with Financial Reporting Standard 102.

Factors that may affect future tax charges

The corporation tax rate applicable to the company will reduce to 17% from 1 April 2020.

11. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 February 2017	3,000	19,580	18,000	40,580
Additions	-	-	2,611	2,611
At 31 August 2017	3,000	19,580	20,611	43,191
Depreciation				
At 1 February 2017	2,964	18,476	16,458	37,898
Charge for the period on owned assets	-	92	386	478
At 31 August 2017	2,964	18,568	16,844	38,376
Net book value				
At 31 August 2017	36	1,012	3,767	4,815
At 31 January 2017	36	1,104	1,542	2,682

The net book value of land and buildings may be further analysed as follows:

	31 August 2017 £	31 January 2017 £
Leasehold improvements	36	36
	36	36

12. Stocks

	31 August 2017 £	31 January 2017 £
Finished goods and goods for resale	394,323	299,604
	394,323	299,604

Stock recognised in cost of sales during the period as an expense was £598,571 (2017 - £786,112).

13. Debtors

	31 August 2017 £	31 January 2017 £
Trade debtors	244,788	130,255
Other debtors	5,940	-
Prepayments and accrued income	4,947	2,720
Deferred taxation	193,185	240,717
	448,860	373,692

14. Cash and cash equivalents

	31 August 2017 £	31 January 2017 £
Cash at bank and in hand	68,972	37,009

15. Creditors: Amounts falling due within one year

	31 August 2017 £	31 January 2017 £
Trade creditors	200,023	177,189
Amounts owed to group undertakings	933,134	629,622
Other taxation and social security	65,094	55,427
Accruals and deferred income	8,230	2,497
	1,206,481	864,735

Amounts owed to group undertakings are unsecured, interest free, and repayable on demand.

16. Deferred taxation

	31 August 2017 £
At beginning of period	240,717
Charged to profit or loss	(47,532)
At end of period	193,185

The deferred tax asset is made up as follows:

	31 August 2017 £	31 January 2017 £
Accelerated capital allowances	(128)	352
Tax losses carried forward	193,313	240,365
	193,185	240,717

The company has unused gross tax losses carried forward at 31 August 2017 of £1,137,136 which have no expiry date.

The amount of the net reversal of deferred tax assets expected to occur during the year beginning after the reporting period is £Nil.

17. Share capital

	31 August 2017 £	31 January 2017 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

18. Reserves

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

19. Pension commitments

The company operates a definied contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund and amounted to £12,564 (year to 31 January 2017: £4,899). Contributions payable to the fund at the balance sheet date are £nil (31 January 2017: £6,126) and are included in creditors.

20. Commitments under operating leases

At 31 August 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	31 August 2017 £	31 January 2017 £
Not later than 1 year	12,900	12,500
Later than 1 year and not later than 5 years	6,600	15,300
	19,500	27,800

Lease payments recognised as an expense during the period were £7,000 (year to 31 January 2017: £11,682).

21. Related party transactions

During the period the company paid rent of £7,000 (year to 31 January 2017 - £11,682) to M Moreno, a former director and shareholder of the company. At 31 August 2017, the company owed £1,000 (31 January 2017 - £1,000) to M Moreno and this balance is disclosed in trade creditors.

During the period the company purchased goods from Adria Vini Srl which is related through common control, amounting to £6,555 (year to 31 January 2017 - £nil). At 31 August 2017, the balance payable to Adria Vini Srl was £2,944 (2016: £nil) and this balance is disclosed in trade creditors.

At 31 August 2017, the company owed balances of £1,501 (31 January 2017 - £1,112) and £Nil (31 January 2017 - £1,814) to the directors A Moreno and M Moreno.

The company is taking advantage of the available exemption not to disclose transactions and balances with other wholly owned members of the In Vino Limited group. No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.

22. Controlling party

The company is wholly owned and controlled by In Vino Limited, a company registered in England and Wales with registered office address Boundary House, Cheadle Point, Cheadle, SK8 2GG. In Vino Limited is the largest group of companies into which the company's results are consolidated where the financial statements are available to the public. Copies of the financial statements of In Vino Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.