

Registered number: 04818878

Tough Developments Limited
Annual report and financial statements
For the period ended 2 July 2010



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Company information

Directors

S N McMurtrie
C A Humphreys

Registered office

New Aquitaine House
Exeter Way
Theale
Reading
Berkshire
RG7 4PL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading
Berkshire
RG1 1JG

Bankers

Barclays
3-5 Kings Street
Reading
Berkshire
RG1 2HD

Solicitors

Olswang
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1AX

Directors' report for the period ended 2 July 2010

The directors present their report and the audited financial statements of the company for the period ended 2 July 2010

Principal activity

The principal activity of the company during the period was running a wine bar. The company ceased to trade on 31 December 2009.

Review of business and future developments

The company has taken advantage of the exemption applying to small companies from preparing an enhanced business review in accordance with the provisions of section 15 of the Companies Act 2006.

Due to continued operating losses the directors took the decision to close the wine bar and consequently the company has ceased to trade. The company is expected to become dormant in future accounting periods.

Results and dividends

The profit for the period amounted to £174,959 (2009: loss of £87,484).

The directors have not recommended payment of a dividend (2009: £nil).

Directors

The directors who held office during the period and up to the date of signing the financial statements, are given below:

S N McMurtrie	
C A Humphreys	(appointed 1 February 2010)
F A Stratford	(resigned 29 January 2010)
A H G Laithwaite	(resigned 1 February 2010)
B A Laithwaite	(resigned 1 February 2010)

Financial risk management

The business is not exposed to foreign currency risk.

Liquidity risk is monitored by management and the parent company provides financial support on an ongoing basis.

Disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

This disclosure is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors' report for the period ended 2 July 2010 (continued)

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper 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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Board



C A Humphreys
Director

Independent auditor's report to the members of Tough Developments Limited

We have audited the financial statements of Tough Developments Limited for the period ended 2 July 2010 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2 July 2010 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.



Matthew Hall (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading, 18 October 2010

Profit and loss account for the period ended 2 July 2010

	Note	53 week period ended 2 July 2010 £	52 week period ended 26 June 2009 £
Turnover	2	55,348	130,820
Cost of sales		(27,932)	(64,226)
Gross profit		27,416	66,594
Administrative expenses		(170,963)	(154,078)
Other operating income – loan waived by parent company		318,506	-
Operating profit / (loss)		174,959	(87,484)
Profit/(loss) on ordinary activities before taxation	3	174,959	(87,484)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the period	12	174,959	(87,484)

The results for the periods shown above are derived entirely from discontinued activities

The company has no recognised gains and losses other than the profit / (loss) above and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the periods stated above, and their historical cost equivalents

Balance sheet as at 2 July 2010

	Note	2 July 2010 £	26 June 2009 £
Fixed assets			
Tangible assets	6	-	876
Current assets			
Stock	7	-	7,932
Debtors	8	-	17,288
Cash at bank and in hand		37,777	83,514
		37,777	108,734
Creditors - Amounts falling due within one year	9	(4,058)	(11,180)
Net current assets		33,719	97,554
Total assets less current liabilities		33,719	98,430
Creditors - Amounts falling due after more than one year	10	-	(239,670)
Net assets / (liabilities)		33,719	(141,240)
Capital and reserves			
Called-up share capital	11	1	1
Profit and loss reserve	12	33,718	(141,241)
Total shareholders' funds/(deficit)	13	33,719	(141,240)

The financial statements on pages 5 to 13 were approved by the board of directors on 18 October 2010 and were signed on its behalf by



C A Humphreys
Director
Tough Developments Limited
Registered number 04818878

**Notes to the financial statements for the period ended
2 July 2010****1 Accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Principal accounting policies are set out below.

Financial period

The financial statements are made up to the Friday nearest to 30 June each year. Periodically this results in a financial period of 53 weeks. The current accounting period is for the 53 weeks period ended 2 July 2010. The previous accounting period was for the 52 weeks ended 26 June 2009.

Tangible fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation. Depreciation is provided on all fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected economic life, as follows:

Computing	- over 3 years
Office equipment	- over 3 years
Fixtures and fittings	- over 3 years
Lease improvements	- over 3 years

Stocks

Stock is stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for selling costs. Provision is made where necessary for obsolete, slow moving and defective stocks.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange gains or losses are included in the profit and loss account in the period in which they arise.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Current taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the financial statements for the period ended
2 July 2010 (continued)**

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing difference that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

Turnover

Turnover, which excludes value added tax, trade discounts and returns, represents the invoiced value of goods supplied. Turnover is recognised on delivery of the product or service

Cash flow statement and related party transactions

The company is a wholly owned subsidiary of Direct Wines Holdings Limited and is included in the consolidated financial statements of Direct Wines Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions between the company and other group companies

2 Turnover

The company's turnover was all derived from its principal activity and arises solely within the United Kingdom

Notes to the financial statements for the period ended 2 July 2010 (continued)

3 Profit/(loss) on ordinary activities before taxation

	53 week period ended 2 July 2010 £	52 week period ended 26 June 2009 £
Profit/(loss) on ordinary activities before taxation is stated after charging		
Wages and salaries	62,452	72,080
Social security costs	3,966	5,633
Staff costs	66,418	77,713
Depreciation charge for the period		
owned assets	424	2,488
Operating lease rentals	23,688	22,437
Services provided by the company's auditors		
Fees payable for the audit of the company	4,000	5,250

Directors' emoluments: None of the directors received any remuneration from the company during the period (2009 £nil)

4 Employee information

The average monthly number of persons (including the executive directors) employed by the company during the period was

	53 week period ended 2 July 2010 Number	52 week period ended 26 June 2009 Number
By activity		
Selling and distribution	4	3

Notes to the financial statements for the period ended 2 July 2010 (continued)

5 Tax on profit/(loss) on ordinary activities

The tax on loss on ordinary activities is nil (2009 nil) and is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%)

The differences are explained below

	53 week period ended 2 July 2010 £	52 week period ended 26 June 2009 £
Profit/(loss) on ordinary activities before tax	174,959	(87,484)
Profit/(loss) on ordinary activities multiplied by standard rate in the UK of 28% (2009 28%)	48,989	(24,496)
Effects of		
Waiver of loan by parent company	(89,182)	-
Other	127	-
Difference in capital allowances and depreciation	(4,575)	(475)
Losses surrendered as group relief	44,641	24,971
Current tax charge for the period	-	-

The company has no recognised or unrecognised deferred taxation

Notes to the financial statements for the period ended 2 July 2010 (continued)

6 Tangible fixed assets

	Computing £	Office equipment £	Fixtures & fittings £	Lease Improvements £	Total £
Cost					
At 27 June 2009	2,354	1,270	27,299	13,201	44,124
Disposals	(2,354)	(1,270)	(27,299)	(13,201)	(44,124)
At 2 July 2010	-	-	-	-	-
Accumulated depreciation					
At 27 June 2009	2,354	1,270	26,423	13,201	43,248
Charge for the period	-	-	424	-	424
Disposals	(2,354)	(1,270)	(26,847)	(13,201)	(43,672)
At 2 July 2010	-	-	-	-	-
Net book value					
At 2 July 2010	-	-	-	-	-
At 26 June 2009	-	-	876	-	876

7 Stock

	2 July 2010 £	26 June 2009 £
Goods for resale	-	7,932

8 Debtors

	2 July 2010 £	26 June 2009 £
Amounts falling due within one year		
Trade debtors	-	2,594
Prepayments and accrued income	-	14,694
	-	17,288

Notes to the financial statements for the period ended 2 July 2010 (continued)

9 Creditors – Amounts falling due within one year

	2 July 2010	26 June 2009
	£	£
Accruals and deferred income	4,058	11,180

10 Creditors – Amounts falling due after more than one year

	2 July 2010	26 June 2009
	£	£
Amounts owed to group undertakings	-	239,670

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

11 Called-up share capital

	2 July 2010	26 June 2009
	£	£
Authorised		
1,000,000 (2009 1,000,000) ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid		
1 (2009 1) ordinary shares of £1 each	1	1

12 Profit and loss reserves

	2 July 2010
	£
At 27 June 2009 (deficit)	(141,241)
Profit for the period	174,959
At 2 July 2010	33,718

Notes to the financial statements for the period ended 2 July 2010 (continued)

13 Reconciliation of movements in shareholders' funds/(deficit)

	2 July 2010	26 June 2009
	£	£
Profit/(loss) for the period	174,959	(87,484)
Net decrease/(increase) in shareholders' deficit	174,959	(87,484)
Opening shareholders' deficit	(141,240)	(53,756)
Closing shareholders' funds/(deficit)	33,719	(141,240)

14 Commitments under operating leases

At 2 July 2010 the company had annual commitments under non-cancellable leases for land and buildings expiring as follows

	2 July 2010	26 June 2009
	£	£
Within two to five years	-	22,500

During the period a deed of surrender was signed relating to the premises thereby terminating the lease agreement

15 Contingent liabilities

The company is included in the group registration for VAT purposes and is therefore jointly and severally liable for other group companies' unpaid debt in this connection

16 Ultimate parent company

The immediate and ultimate parent company is Direct Wines Holdings Limited. According to the register kept by the company, Direct Wines Holdings Limited had a 100% interest in the equity capital of Tough Developments Limited at 2 July 2010 and is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 2 July 2010. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Direct Wines Holdings Limited, New Aquitaine House, Exeter Way, Theale, Reading, Berkshire, RG7 4PL.

The directors regard the Laithwaite family as the ultimate controlling party of the company by virtue of their interest in the share capital of Direct Wines Holdings Limited.