

Tanners Wines Limited

Directors' Report and Financial Statements

for the Year Ended 31 May 2009

Registration number 1072469

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Tanners Wines Limited

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Tanners Wines Limited
Company Information

Directors	A R Tanner
	S J Lloyd
	J J Tanner
	S Griffiths
	R C Boutflower
	A J Patterson
Secretary	S Griffiths
Registered office	26 Wyle Cop Shrewsbury Shropshire SY1 1XD
Auditors	RSM Bentley Jennison Chartered Accountants & Registered Auditors 3 Hollinswood Court Stafford Park 1 Telford TF3 3BD

Tanners Wines Limited

Directors' Report for the Year Ended 31 May 2009

The directors present their report and the audited financial statements for the year ended 31 May 2009

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Principal activity

The principal activity of the company is wholesaling and retailing of wines, spirits, beers and mineral waters

Business review

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties we face

At 31 May 2009, the whole of the trade, assets and liabilities of Terry Platt Wine Merchants Ltd were transferred into Tanners Wines Ltd

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and operating profit

As for many businesses in the UK, the effects of the poor domestic economy has impacted upon the company's results. During the year, the company's turnover decreased by 5% compared to the previous year. Turnover and margins have been under pressure due to greater price competition and operating costs have been chiefly affected by exchange pressures and the weakness of the sterling against the other key currencies in which the company purchases goods. Operating profit has decreased from £346,034 last year to £60,859 this year

As for many companies of our size, the business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. However, we will continue to show flexibility and respond to market conditions and opportunities as they arise

Tanners Wines Limited
Directors' Report for the Year Ended 31 May 2009

continued

Financial risk

Price risk, credit risk, liquidity risk and cash flow risk

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

- A R Tanner
- S J Lloyd
- J J Tanner
- S Griffiths
- R C Boutflower
- A J Patterson

Approved by the Board on 14 September 2009 and signed on its behalf by



J J Tanner
Director

Independent Auditors' Report to the Members of Tanners Wines Limited (Registration number: 1072469)

We have audited the financial statements of Tanners Wines Limited for the year ended 31 May 2009, set out on pages 5 to 15. 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).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 (APB's) Ethical Standards for Auditors.

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 31 May 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

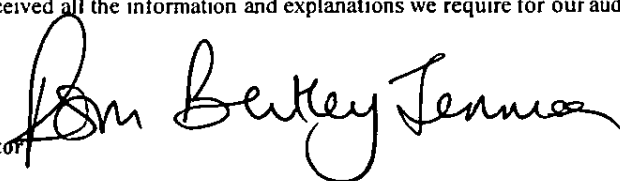
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Peter Whitehead
Senior Statutory Auditor



for and on behalf of
RSM Bentley Jennison Statutory Auditor

3 Hollinswood Court
Stafford Park 1
Telford
TF3 3BD

14 September 2009

Tanners Wines Limited
Profit and Loss Account for the Year Ended 31 May 2009

	Note	2009 £	2008 £
Turnover		15,592,032	16,424,000
Cost of sales		(11,603,306)	(11,963,702)
Gross profit		<u>3,988,726</u>	<u>4,460,298</u>
Distribution costs		(1,127,745)	(1,110,397)
Administrative expenses		(2,809,815)	(3,015,573)
Other operating income	2	9,693	11,706
Operating profit	3	<u>60,859</u>	<u>346,034</u>
Income from investments	4	1,275	1,302
Other interest receivable and similar income		553	2,084
Interest payable and similar charges	7	(64,943)	(37,294)
(Loss)/profit on ordinary activities before taxation		<u>(2,256)</u>	<u>312,126</u>
Tax on (loss)/profit on ordinary activities	8	9,873	(89,161)
Profit for the financial year	19	<u><u>7,617</u></u>	<u><u>222,965</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

The notes on pages 7 to 15 form an integral part of these financial statements

Tanners Wines Limited (Registration number: 1072469)

Balance Sheet as at 31 May 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		627,673		475,690
Investments	11		<u>20,050</u>		<u>20,050</u>
			647,723		495,740
Current assets					
Stocks	12	2,861,836		2,752,142	
Debtors	13	2,199,183		1,866,971	
Cash at bank and in hand		<u>2,589</u>		<u>1,858</u>	
		5,063,608		4,620,971	
Creditors: Amounts falling due within one year	14	<u>(5,663,305)</u>		<u>(5,065,616)</u>	
Net current liabilities			<u>(599,697)</u>		<u>(444,645)</u>
Total assets less current liabilities			48,026		51,095
Creditors: Amounts falling due after more than one year	15		(14,222)		(17,692)
Provisions for liabilities	17		<u>(26,087)</u>		<u>(33,303)</u>
Net assets			<u><u>7,717</u></u>		<u><u>100</u></u>
Capital and reserves					
Called up share capital	18		100		100
Profit and loss account	19		<u>7,617</u>		<u>-</u>
Shareholders' funds	20		<u><u>7,717</u></u>		<u><u>100</u></u>

Approved by the Board on 14 September 2009 and signed on its behalf by



A R Tanner
Director



J J Tanner
Director

The notes on pages 7 to 15 form an integral part of these financial statements

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies are set out below.

Cash flow statement

As the company is a wholly owned subsidiary of Tanners (Shrewsbury) Limited, and whose accounts are available from Companies House, it is exempt from the requirement to present a cash flow statement.

Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Motor vehicles	5 years straight line
Furniture, fittings and equipment	5 to 7 years straight line

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any permanent diminution in value.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

continued

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

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

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Other operating income

	2009 £	2008 £
Rent receivable	<u>9,693</u>	<u>11,706</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Hire of other assets (Operating leases)	96,595	83,565
The audit of the company's annual accounts	13,000	13,000
Foreign currency losses	150,386	28,916
Profit on sale of fixed assets	(762)	(2,624)
Depreciation of owned tangible fixed assets	<u>129,018</u>	<u>119,644</u>

4 Income from investments

	2009 £	2008 £
Fixed asset investments	<u>1,275</u>	<u>1,302</u>

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

continued

5 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2009 No.	2008 No.
Distribution	30	31
Administration	63	65
	<u>93</u>	<u>96</u>

The aggregate payroll costs of these persons were as follows

	2009 £	2008 £
Wages and salaries	1,881,501	2,095,726
Social security	177,323	197,356
Other pension costs	22,290	21,578
	<u>2,081,114</u>	<u>2,314,660</u>

6 Directors' remuneration

The directors' remuneration for the year are as follows

	2009 £	2008 £
Directors' remuneration (including benefits in kind)	303,042	282,231
Directors' pension contributions	15,150	14,700
	<u>318,192</u>	<u>296,931</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2009 No	2008 No
Money purchase	<u>4</u>	<u>4</u>

The aggregate of remuneration of the highest paid director was £83,178 (2008 - £76,959), and company pension contributions of £4,650 (2008 - £4,200) were made to a money purchase scheme on their behalf

7 Interest payable and similar charges

	2009 £	2008 £
Bank loan interest payable	60,580	32,935
Hire purchase interest	4,363	4,359
	<u>64,943</u>	<u>37,294</u>

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

continued

8 Taxation

Analysis of current period tax (credit)/charge

	2009 £	2008 £
Current tax		
Corporation tax charge	500	90,000
(Over)/under provision in previous year	(3,157)	(2,665)
UK Corporation tax	<u>(2,657)</u>	<u>87,335</u>
Deferred tax		
Origination and reversal of timing differences	<u>(7,216)</u>	<u>1,826</u>
Total tax on (loss)/profit on ordinary activities	<u>(9,873)</u>	<u>89,161</u>

Factors affecting current period tax (credit)/charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than (2008 - lower than) the standard rate of corporation tax in the UK of 21.00% (2008 - 28.15%)

The differences are reconciled below

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	<u>(2,256)</u>	<u>312,126</u>
Standard rate corporation tax (credit)/charge	(474)	87,863
Expenses not deductible for tax purposes (including goods)	2,453	2,639
Accelerated capital allowances	(1,531)	(4,767)
Adjustments to tax charge in respect of prior periods	(3,157)	(2,665)
Over/(under) provision	52	4,265
Total current tax for the year	<u>(2,657)</u>	<u>87,335</u>

Factors which may affect future tax charges

There were no factors that may affect future tax charges

9 Dividends

	2009 £	2008 £
Equity dividends		
Ordinary dividend paid	<u>-</u>	<u>222,965</u>

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

continued

10 Tangible fixed assets

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
As at 1 June 2008	-	1,254,024	343,742	1,597,766
Additions	72,990	155,084	52,927	281,001
Disposals	-	-	(9,943)	(9,943)
As at 31 May 2009	<u>72,990</u>	<u>1,409,108</u>	<u>386,726</u>	<u>1,868,824</u>
Depreciation				
As at 1 June 2008	-	936,900	185,176	1,122,076
Eliminated on disposals	-	-	(9,943)	(9,943)
Charge for the year	-	85,825	43,193	129,018
As at 31 May 2009	<u>-</u>	<u>1,022,725</u>	<u>218,426</u>	<u>1,241,151</u>
Net book value				
As at 31 May 2009	<u>72,990</u>	<u>386,383</u>	<u>168,300</u>	<u>627,673</u>
As at 31 May 2008	<u>-</u>	<u>317,124</u>	<u>158,566</u>	<u>475,690</u>

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £81,385 (2008 - £107,267) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £25,882 (2008 - £23,054).

11 Fixed asset investments

	Other investments £
Cost	
As at 1 June 2008 and 31 May 2009	<u>20,050</u>
Net book value	
As at 31 May 2009	<u>20,050</u>
As at 31 May 2008	<u>20,050</u>

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

continued

12 Stocks

	2009	2008
	£	£
Finished goods	<u>2,861,836</u>	<u>2,752,142</u>

13 Debtors

	2009	2008
	£	£
Trade debtors	1,991,387	1,645,621
Amounts owed by group undertakings	47,105	101,442
Other debtors	1,113	300
Prepayments and accrued income	159,578	119,608
	<u>2,199,183</u>	<u>1,866,971</u>

14 Creditors: Amounts falling due within one year

	2009	2008
	£	£
Bank loans and overdrafts	1,086,680	622,603
Obligations under finance leases and hire purchase contracts	17,575	37,416
Trade creditors	2,374,886	2,318,761
Amounts owed to group undertakings	1,231,401	1,128,093
Corporation tax	21,000	90,000
Social security and other taxes	836,580	584,372
Other creditors	45,924	41,174
Accruals and deferred income	49,259	243,197
	<u>5,663,305</u>	<u>5,065,616</u>

15 Creditors: Amounts falling due after more than one year

	2009	2008
	£	£
Obligations under finance leases and hire purchase contracts	<u>14,222</u>	<u>17,692</u>

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

continued

16 Maturity of borrowings

Amounts repayable

	Bank loans & overdrafts £	Obligations under finance leases and HP contracts £	Total £
As at 31 May 2009			
In one year or less on demand	1,086,680	17,575	1,104,255
Between one and two years	-	13,605	13,605
Between two and five years	-	617	617
	<u>1,086,680</u>	<u>31,797</u>	<u>1,118,477</u>
As at 31 May 2008			
In one year or less on demand	622,603	37,416	660,019
Between one and two years	-	11,148	11,148
Between two and five years	-	6,544	6,544
	<u>622,603</u>	<u>55,108</u>	<u>677,711</u>

16.1 Security of borrowings

The bank borrowings of the group companies are secured by a cross guarantee between them

17 Provisions for liabilities

	Deferred tax provision £
As at 1 June 2008	33,303
Deferred tax provision utilised in the period	<u>(7,216)</u>
As at 31 May 2009	<u>26,087</u>

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

continued

18 Share capital

	2009 £	2008 £
Authorised		
Equity		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
Equity		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>

19 Reserves

	Profit and loss account £
Balance at 1 June 2008	-
Transfer from profit and loss account for the year	<u>7,617</u>
Balance at 31 May 2009	<u>7,617</u>

20 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit attributable to members of the company	7,617	222,965
Dividends	<u>-</u>	<u>(222,965)</u>
	7,617	-
Opening shareholders' funds	<u>100</u>	<u>100</u>
Closing shareholders' funds	<u>7,717</u>	<u>100</u>

21 Capital commitments

As at 31 May 2009 the company had capital commitments as follows

	2009 £	2008 £
IT hardware and software	<u>-</u>	<u>72,554</u>

Tanners Wines Limited

Notes to the Financial Statements for the Year Ended 31 May 2009

continued

22 Operating lease commitments

As at 31 May 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Within one year	-	-	18,859	19,097
Within two to five years	45,000	-	98,460	100,425
	<u>45,000</u>	<u>-</u>	<u>117,319</u>	<u>119,522</u>

23 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £22,290 (2008 - £21,578).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

24 Related parties

Controlling entity

The company's ultimate parent undertaking at the balance sheet date was Tanners (Shrewsbury) Limited, a company registered in England and Wales.

On the 31 May 2009, the whole of the trade, assets, and liabilities of Terry Platt Wine Merchants Limited at their book value in the company were transferred to Tanners Wines Ltd and the company ceased to trade.