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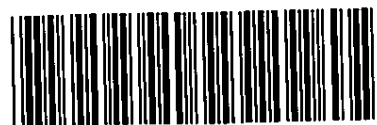
**WINEWORLD LONDON PLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST JULY 2012**

THURSDAY



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COMPANIES HOUSE

# Wineworld London plc

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# **Wineworld London plc**

## **Company Information**

### **Directors**

Alexander Anderson (Chairman)  
Michael Loubser  
Simon Wood (appointed 1 September 2012)  
Jason Melrose (appointed 1 September 2012)

### **Secretary**

Jason Melrose

### **Registered Office**

1 Bank End  
London  
SE1 9BU

### **Company Number**

2663676

### **Bankers**

Bank of Scotland  
London Chief Office  
PO Box 54873  
London  
SW1Y 5WX

### **Auditor**

RSM Tenon Audit Limited  
The Poynt  
45 Wollaton Street  
Nottingham  
NG1 5FW

# Wineworld London plc

## Report of the Directors for the year ended 31 July 2012

The directors present their report and financial statements for the year ended 31 July 2012

### Principal activities

Wineworld London plc trades as "Vinopolis". Its principal activities are a wine tasting based visitor attraction and corporate event venue. There have not been any significant changes in the company's principal activities in the year under review and the directors are not aware of any likely major changes.

### Business review and future developments

Two major businesses of Vinopolis are the Wine Odyssey, a pay-to-enter audio-visual tour of the world's wine regions, cultures, history and flavours, aimed principally at adults with tasting tables throughout the vaulted halls in which the tour is set, and corporate hospitality and events. In addition Vinopolis houses various retail facilities, including a Lathwaites wine shop and The Whisky Exchange.

The business received a boost from the London Olympics during which the whole site was taken over by an international consumer marketing company as a single event space for their entertainment needs. The wine tour was closed down in June 2012, with much of the fit out having to be removed for the Olympic contract. The board therefore took this opportunity to refurbish the wine tour, once the Olympic contract had ended in August 2012, with a view to relaunching the new vision for the tour in October 2012.

The continuing strategy of extending Vinopolis facilities from a largely wine orientated operation to a broader drinks and food venue for entertainment continues and is proving to be a commercial success. Vinopolis Yard, which consists of an Italian restaurant and bakery, and a retail area is substantially complete at the year end, with the space also being used for the Olympic contract. The new restaurant, del Mercato, along with the bakery opened in October 2012.

The new restaurant and bakery will be operated by Vinum Restaurant Company Limited, the company responsible for the operation of Cantina Vinopolis, the fine dining restaurant, Wine Wharf, the wine bar, Bar Blue, the cocktail bar and Brew Wharf, the microbrewery with its bar and restaurant. Vinopolis owns 60% of the shareholding of Vinum Restaurant Company Limited.

The continuing strategy of extending Vinopolis facilities from a largely wine orientated operation to a broader drinks and food venue for entertainment continues and is proving to be a commercial success. Further opportunities are in the pipeline.

### Results and dividends

As shown in the group's profit and loss account on page 6, and for the seventh successive year, the group has achieved an operating profit. The consolidated operating profit is £1,250,652 (2011 £1,784,738) for the year. The consolidated profit before taxation is £1,253,577 (2011 £1,781,634).

Operating cash flow continued to be strong. Prior to deposits repaid in 2011 of £1,950,000 from Thistledown Investments Limited, which were been included in Other debtors, the net cash inflow was £2,721,492 compared to £2,142,353 in 2011.

The directors do not recommend the payment of a dividend (2011 Nil).

On 17 May 2012 the company bought back 12,718,094 ordinary 4 4476 pence shares and 67,281,904 "A" ordinary 0.0185 pence shares for 3.5 pence each, total consideration of £2,800,000.

### Key performance indicators ("KPI's")

With very high levels of fixed costs associated with such a site the company's main KPI remains that of sales revenue generated by the site. As can be seen on page 12 of the financial statements the tour and other related income has increased by 5.18% from the previous year and the corporate events income has increased by 7.88% from the previous year. But in very difficult economic circumstances much of this turnover has come at lower operating margins such that the KPI of operating margin, after direct costs and before the operating profit from associates, is 10% in 2012 compared to 19% in 2011.

The company's key measurement of effectiveness of its operations on a weekly basis is that of tour income and corporate events income. The tour weekly revenues, taking into consideration the closure of the tour from June to October 2012, have remained fairly flat over the past 12 months, but the board believe this should increase in the coming months due to the much invigorated new tour, especially once the marketing of the new tour takes effect. The corporate events revenues depend significantly upon the pre-Christmas bookings as well as arranging events throughout the year which maximise the capacity provided in the events and tour rooms.

Furthermore it is imperative that revenue levels are not achieved solely at the expense of eroding gross profit margins and so a further critical KPI to the business is that of gross profit margins. As can be seen from page 6 of the accounts, the gross profit margin has been decreased to 59% from 63%, which, as mentioned above, is indicative of the very difficult trading conditions being experienced during the year.

**Wineworld London plc**  
**Report of the Directors for the year ended 31 July 2012**  
**(Continued)**

**Operating risks**

The Company aims to improve trading over the forthcoming months and to take advantage of any further opportunities arising from development of the site. But there are inherent risks in operating such a business, all of which, whether individually or combined, could cause the trading position of the Company to become more difficult. At present the directors consider the following to be the principal risks and uncertainties facing the Company.

- ▶ Economic recession, which in the current climate is regarded as the main risk
- ▶ Changes to government regulations, including legislation in respect of employee matters, environmental matters, health and safety, and accessibility
- ▶ Natural disasters, acts of terrorism and consequent impact upon travel
- ▶ Competition from new and existing visitor attractions and corporate event venues

**Financial risk management objectives and policies**

The Group makes little use of financial instruments other than an operational bank account and also exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit of the Group.

**Directors**

The directors who served the Company throughout the year were as follows:

Alexander Anderson\*

Michael Loubser\*

Roger Wood\* (resigned 31 July 2012)

\*Non-executive directors

**Going concern**

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**Employees**

The board wish to thank all staff for their valuable assistance in supporting Vinopolis throughout the year.

**Supplier payment policy**

The Company's policy for the year ending 31 July 2012 is to continue to pay its debts in accordance with the terms of its suppliers, and to take settlement discount where and when available. The number of days purchases represented by creditors at the end of the year was 81 (2011: 59).

# Wineworld London plc

## Report of the Directors for the year ended 31 July 2012

### Directors' responsibilities

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

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). The financial statements are required by law to 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 and then apply them consistently,
- ▶ make judgements and estimates that are reasonable and prudent,
- ▶ state whether 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 Group 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 Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

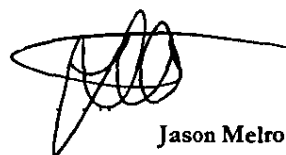
In so far as the directors are aware

- ▶ there is no relevant audit information of which the Company's auditors are unaware, and
- ▶ the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Auditor

RSM Tenon Audit Limited have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By Order of the Board



Jason Melrose  
Secretary

1 Bank End  
London  
SE1 9BU

Date 20 November 2012

# Wineworld London plc

## Report of the Auditor

### Independent auditor's report to the members of Wineworld London plc

We have audited the financial statements of Wineworld London plc for the year ended 31 July 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes. The financial framework that has been applied in their preparation is applicable law and the 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 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.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our

#### Opinion on financial statements

In our opinion the financial statements

- ▶ give a true and fair view of the state of affairs of the group and the company at 31 July 2012 and of the group profit for the year then ended,
- ▶ have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matters 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.

Alistair Wesson (Senior Statutory Auditor)  
for and on behalf of

Date: 20 November 2012

*RSM Tenon Audit Limited*

RSM Tenon Audit Limited  
Statutory Auditor  
The Poynt  
45 Wollaton Street  
Nottingham  
NG1 5FW

**Wineworld London plc**  
**Consolidated Profit and Loss Account for the year ended 31 July 2012**

		2012	2011
	Notes	£	Total £
<b>Turnover</b>	2	8,700,939	8,149,329
Cost of sales		(3,598,557)	(2,999,578)
<b>Gross profit</b>		5,102,382	5,149,751
Administrative expenses		(4,221,850)	(3,600,491)
		880,532	1,549,260
Share of operating profit in associates		370,120	235,478
<b>Operating profit</b>	3	1,250,652	1,784,738
Interest receivable	4		
Group		4,105	9,811
Associates		0	2,780
		1,254,757	1,797,329
Interest payable and similar charges	5		
Group		(1,180)	(15,695)
Associates		-	-
<b>Profit on ordinary activities before taxation</b>		1,253,577	1,781,634
Taxation	7	(101,269)	(65,185)
<b>Profit on ordinary activities after taxation</b>	18	1,152,308	1,716,449

All amounts relate to continuing activities

The notes on pages 11 to 21 form part of these financial statements



Wineworld London plc  
Consolidated Statement of Total Recognised Gains and Losses for the year ended  
31 July 2012

	2012 £	2011 £
Profit for the year	1,152,308	1,716,449
Unrealised surplus on revaluation of long lease land and buildings	179,411	179,411
Total recognised gains relating to the year	<u>1,331,719</u>	<u>1,895,860</u>

Note of historical costs, profits and losses for the year ended 31 July 2012

	2012 £	2011 £
Profit on ordinary activities before taxation	1,253,577	1,781,634
Difference between depreciation on revalued amount and on historical cost basis	179,411	179,411
Historical cost profit before taxation	<u>1,432,988</u>	<u>1,961,045</u>
Historical cost profit after taxation	<u>1,331,719</u>	<u>1,895,860</u>

The notes on pages 11 to 21 form part of these financial statements

Wineworld London plc  
Consolidated Balance Sheet as at 31 July 2012

		2012	2011
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	8	274,294	290,429
Tangible assets	9	16,168,494	16,099,998
Investments	10	749,253	480,402
		<u>17,192,041</u>	<u>16,870,829</u>
<b>Current assets</b>			
Stock	11	15,576	39,681
Debtors	12	659,816	762,285
Cash at bank and in hand		3,396,978	559,132
		<u>4,072,370</u>	<u>1,361,098</u>
<b>Creditors amounts falling due within one year</b>	13	<u>(3,668,915)</u>	<u>(2,188,739)</u>
<b>Net current assets/(liabilities)</b>		<u>403,455</u>	<u>(827,641)</u>
<b>Total assets less current liabilities</b>		<u>17,595,496</u>	<u>16,043,188</u>
<b>Creditors amounts falling due after more than one year</b>	14	<u>(3,200,000)</u>	<u>-</u>
<b>Net assets</b>		<u><u>14,395,496</u></u>	<u><u>16,043,188</u></u>
<b>Capital and reserves</b>			
Called up share capital - equity interests	15	1,691,309	2,269,406
Revaluation reserve	16	8,433,932	8,613,343
Capital Redemption Reserve	17	3,286,940	2,708,843
Profit and loss account	18	983,315	2,451,596
<b>Shareholders' funds</b>	19	<u><u>14,395,496</u></u>	<u><u>16,043,188</u></u>

Approved by the board on 20 November 2012 and signed on its behalf by



**Alexander Anderson**  
Director

The notes on pages 11 to 21 form part of these financial statements

Wineworld London plc  
Company balance sheet as at 31 July 2012  
Company Number 2663676

		2012		2011	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		16,168,494		16,099,998
Investments	10		606,304		606,304
			<u>16,774,798</u>		<u>16,706,302</u>
<b>Current assets</b>					
Stock	11	15,576		39,681	
Debtors	12	659,816		762,285	
Cash at bank and in hand		3,396,976		559,130	
		<u>4,072,368</u>		<u>1,361,096</u>	
<b>Creditors amounts falling due within one year</b>	13	(3,668,915)		(2,188,739)	
<b>Net current assets/(liabilities)</b>			<u>403,453</u>		<u>(827,643)</u>
<b>Total assets less current liabilities</b>			<u>17,178,251</u>		<u>15,878,659</u>
<b>Creditors amounts falling due after more than one year</b>	14		(3,200,000)		-
<b>Net assets</b>			<u><u>13,978,251</u></u>		<u><u>15,878,659</u></u>
<b>Capital and reserves</b>					
Called up share capital	15		1,691,309		2,269,406
Revaluation reserve	16		8,433,932		8,613,343
Capital Redemption Reserve	17		3,286,940		2,708,843
Profit and loss account	18		566,070		2,287,067
<b>Shareholders' funds</b>	19		<u><u>13,978,251</u></u>		<u><u>15,878,659</u></u>

Approved by the board on 20 November 2012 and signed on its behalf by



Alexander Anderson  
Director

The notes on pages 11 to 21 form part of these financial statements

**Wineworld London plc**  
**Consolidated cash flow statement for the year ended 31 July 2012**

		2012	2011
	Note	£	£
<b>Net cash inflow from operating activities</b>	22	2,721,492	4,092,353
<b>Returns on investments and servicing of finance</b>			
Interest received		4,105	9,811
Interest paid		(1,180)	(15,695)
Dividend received from associates		-	300,000
<b>Net cash inflow from returns and on investments and servicing of finance</b>		2,925	294,116
<b>Net cash outflow from capital expenditure and financial investments</b>		(686,571)	(754,904)
<b>Net cash inflow before financing</b>		2,037,846	3,631,565
<b>Acquisitions and disposals</b>			
Investment in associated undertaking		-	222,238
<b>Financing</b>			
Repayment of bank loans	24	(400,000)	(800,000)
Bank loan received	24	4,000,000	-
Purchase of own shares	18	(2,800,000)	-
Redemption of preference shares	18	-	(2,708,843)
<b>Net cash outflow from financing</b>		800,000	(3,508,843)
<b>Increase in cash</b>	23	2,837,846	344,960

The notes on pages 11 to 21 form part of these financial statements

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31 July 2012

### 1 Accounting policies

#### Accounting basis and standards

The financial statements have been prepared under the historical cost convention as modified by the revaluation of long lease land and buildings and are in accordance with applicable accounting standards

#### Group accounts

These consolidated financial statements present information about the group. The company has taken advantage of the exemption under section 408 of the Companies Act 2006 from presenting its own profit and loss account. The Company's interests in its associated undertakings are accounted for under the equity method of accounting in accordance with FRS 9. The Company's share of the results are included in the consolidated profit and loss account and its investment is included in the consolidated balance sheet, based on the Company's share of the net assets. The company profit for the year is £899,592 (2011 £1,859,511)

#### Goodwill

Goodwill arising on consolidation is the excess of cost over book value of the investment. It is amortised through the profit and loss account over the directors' estimate of its useful economic life which is 20 years, unless impairment has occurred, in which case goodwill is written down to its recoverable amount.

#### Turnover

Turnover represents the invoiced value of goods sold and services provided net of value added tax, adjusted for deferred income.

#### Tangible fixed assets and depreciation

The company adopted FRS15 "Tangible Fixed Assets" in the year ended 31 July 2007. During the year ended 31 July 2010 a full valuation of the company's long lease land and buildings was performed. An amount equal to the excess of the annual depreciation charge on the revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve. All other tangible fixed assets are stated at cost.

The cost of tangible fixed assets is their purchase price, plus any incidental costs of acquisition.

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:

Long leasehold buildings	over the remaining life of the lease
Fit-out	4% to 10% straight line
Fit-out multimedia	15% straight line
Plant and machinery	25% to 33% straight line
Fixtures, fittings and equipment	25% to 33% straight line

#### 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. Net realisable value is based on estimated selling price, less additional costs to completion and disposal.

#### Deferred taxation

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

Deferred tax is calculated on an undiscounted basis at the 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 enacted or subsequently enacted at the balance sheet date.

#### 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.

#### Pension scheme arrangements

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

#### Leased assets

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31 July 2012

(Continued)

### 1 Accounting policies (continued)

#### Investments

Investments in associate companies are capitalised in the balance sheet at the original purchase price. The share of results since acquisition are taken to the profit and loss account and to the carrying value in the balance sheet, in accordance with FRS9.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2 Turnover

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

	2012	2011
	£	£
Tour & other related income	3,515,620	3,342,592
Corporate hospitality	5,185,319	4,806,737
	<u>8,700,939</u>	<u>8,149,329</u>

The segmental information does not include profit before tax or net assets since, in the opinion of the directors, no meaningful segmentation can be made.

### 3 Operating profit

	2012	2011
	£	£
The operating profit is stated after charging:		
Auditors' remuneration	15,510	15,060
Depreciation - owned tangible fixed assets	601,038	601,048
Depreciation - assets held under finance leases	17,037	17,037
Amortisation of goodwill	16,135	16,135
	<u>649,720</u>	<u>649,280</u>

### 4 Interest receivable

	2012	2011
	£	£
Bank interest receivable	4,105	9,811
Share of associates interest receivable	-	2,780
	<u>4,105</u>	<u>12,591</u>

### 5 Interest payable and similar charges

	2012	2011
	£	£
Bank loan and short term loan interest	1,180	15,695
Share of associates interest payable and similar charges	-	-
	<u>1,180</u>	<u>15,695</u>

Wineworld London plc  
Notes to the Financial Statements for the year ended 31 July 2012  
(Continued)

**6 Directors and employees**

	2012 £	2011 £
Staff costs (including directors) during the year were as follows		
Wages and salaries	1,230,678	1,328,219
Social security costs	92,846	106,354
Other pension costs	1,860	1,860
	<u>1,325,384</u>	<u>1,436,433</u>

The average monthly number of persons employed by the group, including directors, during the year was 89 (2011 94) At the end of the year the number of persons employed by the group was 77 (2011 98)

**Directors emoluments**

	2012 £	2011 £
Directors' emoluments consist of		
Fees and emoluments for management services	140,150	149,050
Group contributions to money purchase pension schemes	-	-
	<u>140,150</u>	<u>149,050</u>

**7 Taxation**

**(a) Analysis of charge in year**

	2012 £	2011 £
Current tax		
UK corporation tax at 24% (2011 26%)	-	-
Share of associates' current tax	87,633	69,524
Total current tax	<u>87,633</u>	<u>69,524</u>
Deferred tax		
Deferred taxation	-	-
Share of associates' deferred tax	13,636	(4,339)
Total deferred tax	<u>13,636</u>	<u>(4,339)</u>
Total taxation	<u>101,269</u>	<u>65,185</u>

**(b) Factors affecting current tax charge**

	£	£
Profit on ordinary activities before tax	1,253,577	1,781,634
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 26%)	300,859	463,225
Effects of		
Expenses not deductible for tax purposes	10,043	4,436
Depreciation for the year in excess of capital allowances	137,778	172,114
Relieved against losses brought forward	(365,659)	(569,249)
Change in tax rates	4,612	3,730
Over provision in prior years on associates profits	-	(4,732)
Current charge for the year	<u>87,633</u>	<u>69,524</u>

Wineworld London plc  
Notes to the Financial Statements for the year ended 31 July 2012 (Continued)

7 Taxation (continued)

(c) Factors that may affect future tax charges

At 31 July 2012 the company had unrelieved tax losses of £1,613,071 to carry forward and utilise against future corporation tax liabilities. These losses give rise to an unprovided deferred tax asset of £387,137.

There are no other known factors which may affect future tax charges.

8 Intangible assets

	Group Goodwill £
<b>Cost or valuation</b>	
At 1 August 2011	328,718
Disposals	-
At 31 July 2012	328,718
<b>Depreciation</b>	
At 1 August 2011	38,289
Charge for the year	16,135
At 31 July 2012	54,424
<b>Net Book Value</b>	
At 31 July 2012	274,294
At 1 August 2011	290,429

Goodwill is being written off in equal annual instalments either over its estimated economic life of 20 years.

9 Tangible assets

	Group and Company				
	Long leasehold land and buildings £	Fit-out £	Plant and machinery £	Fixtures fittings and equipment £	Total £
<b>Cost or valuation</b>					
At 1 August 2011	15,904,904	8,732,798	856,972	787,927	26,282,601
Additions	686,571	-	-	-	686,571
At 31 July 2012	16,591,475	8,732,798	856,972	787,927	26,969,172
<b>Depreciation</b>					
At 1 August 2011	310,553	8,227,151	856,972	787,927	10,182,603
Charge for the year	310,543	307,532	-	-	618,075
At 31 July 2012	621,096	8,534,683	856,972	787,927	10,800,678
<b>Net Book Value</b>					
At 31 July 2012	15,970,379	198,115	-	-	16,168,494
At 1 August 2011	15,594,351	505,647	-	-	16,099,998

The long leasehold land and buildings brought forward have been included in the financial statements at a valuation of £15,150,000 based upon an external professional valuation undertaken on 31 July 2010 by Matthews & Goodman LLP.

If the long lease land and buildings had not been revalued, it would have been included at the following amounts:

	£
Historical cost	13,677,958
Accumulated depreciation based on historical cost	(6,141,489)
	7,536,469

Included in long leasehold land and buildings at the year end are assets in the course of construction amounting to £1,371,475 on which no depreciation has been charged.



# Wineworld London plc

## Notes to the Financial Statements for the year ended 31 July 2012 (Continued)

### 10 Fixed asset investments

The investments of the Group and Company were as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Subsidiary undertaking	-	-	2	2
Associates	749,253	480,402	606,302	606,302
At 31 July 2012	749,253	480,402	606,304	606,304

### Principal group investments

The parent company and the group have investments in the following subsidiary undertaking and associate which principally affected the profits or net assets of the group

Name	County of Incorporation	Class of share	Proportion held	Nature of business
<b>Subsidiary undertaking</b>				
Vinopolis Limited	England	Ordinary	100%	Dormant
<b>Associates</b>				
Vinum Restaurant Company Limited	England	Ordinary "B"	60%	Restaurant & Wine Bars
Brew Wharf Limited	England	Ordinary	60%	Dormant

The company has a 60% shareholding in Vinum Restaurant Company Limited, however, the controlling interest held by our partner is 50%. As a result Vinum Restaurant Company Limited continues to be accounted for as an associate as at 31 July 2012. The goodwill amortisation continued at same level as summarised in note 8.

### Subsidiary undertaking

	2012	2011
	£	£
Cost		
As at 1 August 2011 and 31 July 2012	2	2

### Associate

	Group	Company
	£	£
Cost		
As at 1 August 2011	505,402	606,302
Share of retained profit for the year	268,851	-
At 31 July 2012	774,253	606,302
<b>Amounts written off</b>		
As at 1 August 2011 and 31 July 2012	25,000	-
<b>Net Book Value</b>		
At 31 July 2012	749,253	606,302
At 31 July 2011	480,402	606,302

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31 July 2012 (Continued)

### 11 Stocks

	Group and Company	
	2012	2011
	£	£
Finished goods and goods for resale	15,576	39,681

### 12 Debtors

	Group and Company	
	2012	2011
	£	£
Trade debtors	148,934	434,171
Other debtors	90,335	-
Prepayments and accrued income	420,547	328,114
	659,816	762,285

### 13 Creditors amounts falling due within one year

	Group and Company	
	2012	2011
	£	£
Trade creditors	775,145	730,589
Amounts due to associates	606,065	-
Social security and other taxes	28,256	130,528
Other creditors	381	100
Bank of Scotland term loan	800,000	400,000
Accruals and deferred income	1,459,068	927,522
	3,668,915	2,188,739

The overdraft with the Bank of Scotland is subject to the same terms on security and interest as those which apply to the loan described in note 14

### 14 Creditors amounts falling due after more than one year

	Group and Company	
	2012	2011
	£	£
Bank of Scotland term loan	3,200,000	-

The Bank of Scotland term loan and overdraft are secured by means of a fixed and floating charge over the long leasehold land and buildings of the Company. The realisation value of the long leasehold land and buildings charged in favour of Bank of Scotland shall not be less than 150% of the amount of the facility outstanding at any time. The facility is repayable by monthly instalments so that the loan is repaid in full on or before 29 July 2015. The Company pays interest quarterly in arrears at an annual rate which is the sum of (1) the Margin (1.75%), (2) LIBOR rate and (3) Mandatory costs as that fluctuates.

Borrowings are repayable as follows

	Group and Company	
	2012	2011
	£	£
<b>Bank loans</b>		
Between two and five years	3,200,000	-
On demand or within one year	800,000	400,000
	4,000,000	400,000

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31 July 2012

(Continued)

### 15 Share capital

	Group and Company	
	2012	2011
	£	£
Allotted, called up and fully paid		
36,257,509 (2011 48,975,603) ordinary shares of 4 4476p each	1,612,589	2,178,239
425,511,181 (2011 492,793,085) "A" ordinary shares of 0 0185p each	78,720	91,167
	<u>1,691,309</u>	<u>2,269,406</u>

On 17 May 2012 the company bought back 12,718,094 ordinary 4 4476 pence shares and 67,281,904 "A" ordinary 0 0185 pence shares for 3 5 pence each, total consideration of £2,800,000

The rights attaching to those shares as they apply to dividends, redemption, capital and voting are as follows

#### a) Right to dividend

Ordinary shares

Any dividends are payable to holders of ordinary and "A" ordinary shares For the purposes of dividends, ordinary and "A" ordinary shares rank as one class with each other

#### b) Capital

On a return of assets on liquidation or otherwise (except on a redemption of shares or purchase of a company of its own shares) the assets payable to shareholders shall be used to

- i) pay the balance to the holders of the ordinary shares and the "A" ordinary shares as if they were all shares of the same class and denominated in the same amount and proportion to the number of such shares held

#### c) Voting rights

Holders of ordinary, "A" ordinary and preference shares each have the right to receive notice of, attend and vote at any general meeting Each holder has one vote on a show of hands, or on a poll one vote for each share held which is credited as fully paid up

### 16 Revaluation reserve

	Group and Company	
	2012	2011
	£	£
At 1 August 2011	8,613,343	8,792,754
Revaluation of fixed assets	-	-
Transfer to profit and loss account	(179,411)	(179,411)
	<u>8,433,932</u>	<u>8,613,343</u>
At 31 July 2012		

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31 July 2012 (Continued)

### 17 Capital redemption reserve

	Group and Company	
	2012	2011
	£	£
At 1 August 2011	2,708,843	-
Purchase of own shares	578,097	-
Redemption of preference shares	-	2,708,843
At 31 July 2012	<u>3,286,940</u>	<u>2,708,843</u>

### 18 Profit and loss account

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
At 1 August 2011	2,451,596	3,264,579	2,287,067	2,956,988
Result for the year	1,152,308	1,716,449	899,592	1,859,511
Purchase of own shares	(2,800,000)	-	(2,800,000)	-
Redemption of preference shares	-	(2,708,843)	-	(2,708,843)
Transfer from revaluation reserve	179,411	179,411	179,411	179,411
At 31 July 2012	<u>983,315</u>	<u>2,451,596</u>	<u>566,070</u>	<u>2,287,067</u>

### 19 Reconciliation of movements in shareholders' funds

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Opening shareholders' funds	16,043,188	17,035,582	15,878,659	16,727,991
Result for the year	1,152,308	1,716,449	899,592	1,859,511
Revaluation of fixed assets	-	-	-	-
Purchase of own shares	(2,800,000)	-	(2,800,000)	-
Redemption of preference shares	-	(2,708,843)	-	(2,708,843)
Closing shareholders' funds	<u>14,395,496</u>	<u>16,043,188</u>	<u>13,978,251</u>	<u>15,878,659</u>

# Wineworld London plc

## Notes to the financial statements for the year ended 31 July 2012 (Continued)

### 20 Transactions with directors and related party transactions

#### (a) Thistledown Investments Limited

Thistledown Investments Limited, a leasing company owned by Alexander Anderson - the Non Executive Chairman, has provided finance by way of leases to the company in previous years on commercial terms standard to finance companies

During the year, the company deposited surplus cash with Thistledown Investments Limited at higher rates of interest than could be earned with Bank of Scotland. These deposits are included in Other Debtors.

	2012 £	2011 £
During the year the following transactions took place with Thistledown Investments Limited		
Consultancy	83,528	80,938
Loan interest and fees	(4,056)	(9,748)
Repayment of loan	(3,100,000)	(2,750,000)
Issue of new loans	3,100,000	800,000
<b>Total transactions</b>	<b>79,472</b>	<b>(1,878,810)</b>
At the year end there were amounts outstanding to Thistledown Investments Limited of		
Debtors	4,056	301
Creditors amounts falling due within one year		
Accruals and deferred income	53,734	25,938

All these transactions were undertaken at arms length

#### (b) Leybourne Securities Limited

Roger Wood, a non executive director during the year, is a director of Leybourne Securities Limited

	2012 £	2011 £
During the year the following transactions took place with Leybourne Securities Limited		
Consultancy	60,744	59,917
At the year end there were amounts outstanding to Leybourne Securities Limited of		
Creditors amounts falling due within one year		
Accruals and deferred income	2,500	2,775

All these transactions were undertaken at arms length

# Wineworld London plc

## Notes to the financial statements for the year ended 31 July 2012(Continued)

### 20 Transactions with directors and related party transactions

#### (c) G R T Holdings Limited and G R T Farming & Financial Pty Limited

Michael Loubser, a non executive director, is a director of G R T Holdings Limited and G R T Farming & Financial Pty Limited

	2012 £	2011 £
During the year the following transactions took place with G R T Holdings Limited and G R T Farming & Financial Pty Limited		
Promotional materials	217,523	-
Consultancy	22,958	22,071
<b>Total transactions</b>	<b>240,481</b>	<b>22,071</b>

At the year end there were amounts outstanding to G R T Holdings Limited and G R T Farming & Financial Pty Limited of

	2012 £	2011 £
Creditors amounts falling due within one year		
Accruals and deferred income	219,273	1,750

All these transactions were undertaken at arms length

#### (d) Vinum Restaurant Company Limited

During the year the company traded with Vinum Restaurant Company Limited, a company in which Wineworld London plc is a shareholder

During the year the following transactions were made to/(from)

	2012 £	2011 £
Vinum Restaurant Company Limited		
Rent received	555,605	374,505
Catering commission received	399,602	-
Utility recharges	257,106	130,498
Purchases	(2,762,176)	(340,977)
<b>Total transactions</b>	<b>(1,549,863)</b>	<b>164,026</b>

The year end balances include the following amounts due from

	Vinum Restaurant Company Limited
Debtors	
Trade debtors	-
Creditors	
Trade creditors	-
Amounts due to associates	10,129

All these transactions were undertaken at arms length

### 21 Pension commitments

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 and amounted to £1,860 (2011 £1,860). At the year end pension contributions of £258 were outstanding.

# Wineworld London plc

## Notes to the financial statements for the year ended 31 July 2012 (Continued)

### 22 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	1,250,652	1,784,738
Share of associate operating profit	(370,120)	(235,478)
Depreciation -		
Owned tangible assets	601,038	601,048
Assets held under finance leases	17,037	17,037
Amortisation of goodwill	16,135	16,135
Decrease/(increase) in stock	24,105	50,702
Decrease/(increase) in debtors	102,469	2,560,336
Increase/(decrease) in creditors	1,080,176	(702,165)
Net cash inflow from operating activities	2,721,492	4,092,353

### 23 Reconciliation of net cash flow to the movement in net debt

	2012 £	2011 £
Increase in cash in the year	2,837,846	344,960
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(3,600,000)	800,000
Change in net debt resulting from cash flows	(762,154)	1,144,960
Net debt at 1 August 2011	159,132	(985,828)
Net debt at 31 July 2012	(603,022)	159,132

### 24 Analysis of changes in net debt

	At 1 August 2011 £	Cash flow £	Non cash movements £	At 31 July 2012 £
Net overdraft and cash in hand	559,132	2,837,846	-	3,396,978
Debt due within one year	(400,000)	(400,000)	-	(800,000)
Debt due after one year	-	(3,200,000)	-	(3,200,000)
	159,132	(762,154)	-	(603,022)

### 25 Ultimate parent company and controlling party

In the opinion of the directors, there is no individual controlling party