

2218928

BIBENDUM WINE LIMITED

REPORT AND ACCOUNTS

for the year ended

31 MARCH 1999



BIBENDUM WINE LIMITED

COMPANY DIRECTORY

INCORPORATION NUMBER	2218928
DIRECTORS	B.J. Collins T.N. Heywood-Lonsdale S.C. Farr A.J. Arkwright P.H.R. Gwyn M.P. Saunders V.A. Cazalet J.S. Pethick W.O. Lebus
SECRETARY	T.N. Heywood-Lonsdale
REGISTERED OFFICE	113 Regents Park Road London NW1 8UR
BANKERS	National Westminster Bank plc Buckingham Branch 2 Market Hill Buckingham MK18 1JS
SOLICITORS	Macfarlanes 10 Norwich Street LONDON EC4A 1BD
AUDITORS	Smith & Williamson Chartered Accountants 1 Riding House Street LONDON W1A 3AS

BIBENDUM WINE LIMITED

REPORT AND ACCOUNTS for the year ended 31 MARCH 1999

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BIBENDUM WINE LIMITED

DIRECTORS' REPORT for the year ended 31 MARCH 1999

The directors present their annual report on the affairs of the group, together with the accounts and auditors' report for the year ended 31 March 1999.

Principal activities and business review

The principal activities of the group continue to be the importation and distribution of wine.

Turnover has decreased by 10% from £20,584,315 to £18,610,331. The operating profit for the year was £47,773; a decrease of 95% over the previous year. The directors anticipate improved profitability next year.

The directors do not recommend a dividend for the year ended 31 March 1999. (1998-10p per share)

Directors and their interests

The directors who served during the year and their interests in the shares of the company, are shown below:

	Options (See Note 15)	Ordinary Shares of £1 each 31 March 1999	31 March 1998
B.J. Collins	30,000	271,000	271,000
T.N. Heywood-Lonsdale	34,000	150,000	150,000
S.C. Farr	34,000	128,807	128,807
A.J. Arkwright	-	75,000	75,000
P.H.R. Gwyn	-	60,000	60,000
M.P. Saunders	24,000	45,619	45,619
V.A. Cazalet	-	20,000	20,000
J.S. Pethick	-	64,404	64,404
W.O. Lebus	16,000	40,000	40,000

During the year ended 31 March 1999 Mr. T.N. Heywood-Lonsdale had a non-beneficial interest as trustee in 1,800 ordinary shares.

N Mugridge was appointed Director on 27 April 1998 and resigned on 14 May 1999

Fixed assets

The directors consider that the freehold land and buildings, which are included in the accounts at the book value of £900,000, had a market value of approximately £900,000 at 31 March 1999.

BIBENDUM WINE LIMITED

DIRECTORS' REPORT for the year ended 31 MARCH 1999 (Continued)

Year 2000

As is well known many computer and digital storage systems express dates using only the last two digits of the year end and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. The directors have considered these implications and decided to install a new year 2000 compliant system. The directors are confident that they will be able to install the new system before the year 2000 deadline.

The risk analysis completed has considered the impact on our business of Year 2000 related failures by our suppliers and customers. In appropriate cases we have initiated formal communication with these parties.

Given the complexity of the problem it is not possible for any organization to give guarantees that no year 2000 problems will remain. However, the Board believes that it will achieve an acceptable state of readiness.

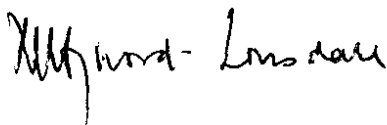
Charitable donations

During the year the company made charitable donations of £331 (1998: £745).

Auditors

The directors will place a resolution before the Annual General Meeting to re-appoint Smith & Williamson, Chartered Accountants, as auditors for the ensuing year.

APPROVED BY THE BOARD OF DIRECTORS
and signed on behalf of the Board



T Heywood – Lonsdale
SECRETARY

113 Regents Park Road,
London. NW1 8UR

BIBENDUM WINE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company and 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 company and the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF BIBENDUM WINE LIMITED

We have audited the accounts on pages 6 to 20 which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

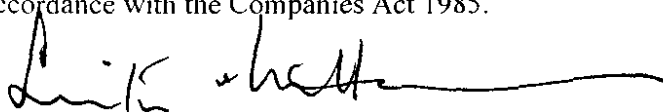
Basis of opinion

We have conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the affairs of the group and the company at 31 March 1999 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors

No 1 Riding House Street
London W1A 3AS

26 May 1999

BIBENDUM WINE LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 1999**

	Notes	1999 £	1998 £
Turnover	2	18,610,331	20,854,315
Cost of sales		(14,573,986)	(16,449,151)
		<hr/>	<hr/>
Gross profit		4,036,345	4,405,164
Administrative expenses		(1,231,340)	(921,141)
Selling and distribution costs		(2,875,745)	(2,633,278)
Other operating income		118,513	88,799
		<hr/>	<hr/>
Operating profit	3	47,773	939,544
Other interest receivable and similar income	4	13,365	20,724
Interest payable and similar charges	5	(179,012)	(176,627)
		<hr/>	<hr/>
(Loss) / Profit on ordinary activities before taxation		(117,874)	783,641
Tax on loss / profit on ordinary activities	7	37,881	(240,070)
		<hr/>	<hr/>
(Loss) / Profit on ordinary activities after taxation		(79,993)	543,571
Dividend	8	-	(112,865)
		<hr/>	<hr/>
Retained (Loss) / Profit for the year	16	£(79,993)	£430,706
		<hr/>	<hr/>

All the group's operations are classed as continuing and there are no recognised gains or losses other than the loss for the year.

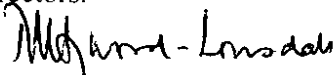
The accompanying notes are an integral part of these accounts.

BIBENDUM WINE LIMITED

BALANCE SHEETS as at 31 MARCH 1999

	Notes	Group		Company	
		1999 £	1998 £	1999 £	1998 £
Fixed Assets					
Tangible assets	9	1,536,681	1,532,502	636,681	632,502
Investments	10	110,500	110,500	1,010,504	1,010,504
		<hr/>	<hr/>	<hr/>	<hr/>
		1,647,181	1,643,002	1,647,185	1,643,006
Current Assets					
Stock	11	1,256,851	1,720,148	1,256,851	1,720,148
Debtors	12	4,196,270	3,970,729	4,196,270	3,970,729
Cash at bank		-	325,415	-	325,415
		<hr/>	<hr/>	<hr/>	<hr/>
		5,453,121	6,016,292	5,453,121	6,016,292
Creditors: Amounts falling due within one year	13	(4,657,203)	(4,966,202)	(4,657,207)	(4,966,206)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		795,918	1,050,090	795,914	1,050,086
Total assets less Current liabilities		<hr/>	<hr/>	<hr/>	<hr/>
		2,443,099	2,693,092	2,443,099	2,693,092
Creditors: Amounts falling due after more than one year	14	(812,538)	(982,538)	(812,538)	(982,538)
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets		£1,630,561	£1,710,554	£1,630,561	£1,710,554
Capital and reserves					
Called up share capital	15	1,170,150	1,170,150	1,170,150	1,170,150
Revaluation reserve		200,000	200,000	-	-
Profit and loss account	16	260,411	340,404	460,411	540,404
		<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' Funds	17	£1,630,561	£1,710,554	£1,630,561	£1,710,554
		<hr/>	<hr/>	<hr/>	<hr/>

These accounts were approved by the Board of Directors on 26 May 1999 and signed on behalf of the Board of Directors.


T.N. Heywood-Lonsdale
Director

BIBENDUM WINE LIMITED**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 MARCH 1999**

	Notes	1999 £	1998 £
Net cash inflow from Operating Activities	19	493,936	757,595
Returns on investments and servicing of finance:			
Interest received		13,365	20,724
Interest paid		(179,012)	(176,627)
		<u>(165,647)</u>	<u>(155,903)</u>
Taxation			
Tax paid		(200,443)	(278,134)
Capital Expenditure:			
Payments to acquire tangible fixed assets		(208,187)	(486,734)
Acquisition of investment		-	(103,000)
		<u>(208,187)</u>	<u>(589,734)</u>
		<u>(80,341)</u>	<u>(266,176)</u>
Financing:			
Proceeds of bank loans		-	300,000
Repayment of bank loan		(170,000)	(70,000)
		<u>(170,000)</u>	<u>230,000</u>
Equity dividend paid		<u>(112,865)</u>	<u>(116,265)</u>
(Decrease) in cash	20	<u>£(363,206)</u>	<u>£(152,441)</u>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards.

The principal accounting policies of the company and group, which remain unchanged from the previous year, are as follows:

Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of land and buildings.

Basis of consolidation

The group accounts consolidate the accounts of the company and all its subsidiaries made up to 31 March 1999. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is written off against reserves on acquisition.

No profit and loss account is presented for the company, as provided by S.230 of the Companies Act 1985. All the consolidated profit for the financial year attributable to the shareholders of Bibendum Wine Limited has been dealt with in the accounts of the parent company.

Tangible fixed assets

Land and buildings are shown at valuation as set out in note 9. Other fixed assets are shown at cost.

Depreciation is provided to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Property improvements	15% per annum
Office furniture and equipment	15% per annum
Computer equipment	33% per annum

No depreciation is provided on the freehold land and buildings. It is the group's policy to maintain its property in such condition that its value is not impaired by the passage of time. Such maintenance is charged to the profit and loss account. As a consequence, depreciation would not, in the opinion of the directors, be material and no provision has therefore been made.

Employee Share Ownership Plan

The company's accounts include the Bibendum Employee Benefit Trust. Share options exercisable into these shares will be granted to certain employees. The directors consider that the company has control of the shares held by the trust and bears their benefits and risks. Shares held by the trust are shown as "own shares" within fixed asset investments. Amounts transferred which are awaiting investment in the company's shares are included in debtors. Administration expenses are charged to the profit and loss account as they accrue. The main features of the trust are detailed in note 10 to the accounts.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred tax

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Foreign currency

Transactions denominated in foreign currencies are translated at the actual exchange rate on the date of the transaction or, where appropriate, at the rate of exchange of related forward foreign exchange contracts. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange of a related forward foreign exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as a foreign exchange gain or loss in the profit and loss account.

Turnover

Group turnover comprises the value of sales (excluding VAT) of goods and services in the normal course of business.

En primeur sales

Revenue in respect of en primeur sales is recognised when invoiced and the amount is payable by the customer. The cost of the goods to be delivered is included in cost of sales and creditors. In addition, payment has usually been made to the supplier before delivery of the goods. Payments on account have been recorded as a reduction in the related creditor.

Pension costs

The company operates a defined contribution scheme for certain employees and its liability is limited to the company's element of monthly contributions. Contributions are charged to the profit and loss account as they become payable.

Goodwill

The company has taken advantage of the transitional provision of FRS10 *Goodwill and intangible assets*. Goodwill relating to acquisitions in prior years is written off directly to profit and loss reserves. Goodwill has been eliminated as a matter of accounting policy and will be charged in the profit and loss account on subsequent disposal of the business to which it relates.

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)**

2	Turnover	1999	1998
		£	£
	United Kingdom	17,845,955	19,705,604
	Rest of world	764,376	1,148,711
		<hr/>	<hr/>
		£18,610,331	£20,854,315
		<hr/>	<hr/>
3	Operating profit	£	£
	Operating profit is stated after charging:		
	Depreciation	204,008	124,893
	Operating leases	35,333	-
	Auditors' remuneration	15,000	15,000
		<hr/>	<hr/>
4	Other interest receivable and similar income		
	Bank interest receivable	13,365	20,724
		<hr/>	<hr/>
5	Interest payable and similar charges	£	£
	On convertible unsecured loan stock 2003	29,411	29,255
	On bank loan	67,991	60,460
	On bank overdraft	81,610	86,912
		<hr/>	<hr/>
		£179,012	£176,627
		<hr/>	<hr/>
6	Information regarding directors and employees	£	£
	Employee costs during the year amounted to:		
	Wages and salaries	1,829,895	1,683,388
	Social security costs	205,856	166,296
	Pension costs	75,826	68,990
		<hr/>	<hr/>
		£2,111,577	£1,918,674
		<hr/>	<hr/>

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)****6 Information regarding directors and employees (Continued)**

The average monthly number of persons employed by the group was as follows:

	1999	1998
	£	£
Selling and distribution	55	48
Administration	9	10
	<hr/>	<hr/>
	64	58
	<hr/>	<hr/>

Directors' remuneration

Directors' remuneration was paid in respect of directors as follows:

	£	£
Aggregate emoluments (including pension contributions)	500,831	427,405
Company pension contributions to money purchase schemes	41,217	34,498
	<hr/>	<hr/>

The remuneration of the highest paid director was as follows:

	£	£
Aggregate emoluments (excluding pension contributions)	113,261	113,280
Company pension contributions to money purchase schemes	11,000	11,000
	<hr/>	<hr/>

7 Tax on (loss) / profit on ordinary activities

	£	£
United Kingdom Corporation tax for the year at 33.5% (1998: 29.6%)	(37,881)	241,002
Over provision in respect of previous years	-	(932)
	<hr/>	<hr/>
	£(37,881)	£ 240,070
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards.

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Basis of accounting

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Basis of consolidation

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No profit and loss account is presented for the company, as provided by S.230 of the Companies Act 1985. All the consolidated profit for the financial year attributable to the shareholders of Bibendum Wine Limited has been dealt with in the accounts of the parent company.

Tangible fixed assets

Land and buildings are shown at valuation as set out in note 9. Other fixed assets are shown at cost.

Depreciation is provided to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Property improvements	15% per annum
Office furniture and equipment	15% per annum
Computer equipment	33% per annum

No depreciation is provided on the freehold land and buildings. It is the group's policy to maintain its property in such condition that its value is not impaired by the passage of time. Such maintenance is charged to the profit and loss account. As a consequence, depreciation would not, in the opinion of the directors, be material and no provision has therefore been made.

Employee Share Ownership Plan

The company's accounts include the Bibendum Employee Benefit Trust. Share options exercisable into these shares will be granted to certain employees. The directors consider that the company has control of the shares held by the trust and bears their benefits and risks. Shares held by the trust are shown as "own shares" within fixed asset investments. Amounts transferred which are awaiting investment in the company's shares are included in debtors. Administration expenses are charged to the profit and loss account as they accrue. The main features of the trust are detailed in note 10 to the accounts.

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)**

8	Dividend	1999	1998
	Final dividend proposed	£Nil	£112,865

Dividends have been waived in respect of shares held by the Bibendum Employee Benefit Trust.

9 **Tangible fixed assets**

GROUP	Total	Freehold Land and Buildings	Property Improve- ments	Office Furniture & Equipment	Computer Equipment
	£	£	£	£	£
Cost or valuation					
At 1 April 1998	2,010,876	900,000	482,822	234,082	393,972
Additions	208,187	-	11,876	25,387	170,924
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	2,219,063	900,000	494,698	259,469	564,896
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 1998	478,374	-	131,470	95,744	251,160
Charge for the year	204,008	-	70,473	26,257	107,278
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	682,382	-	201,943	122,001	358,438
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 1999	£1,536,681	£900,000	£292,755	£137,468	£206,458
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1998	£1,532,502	£900,000	£351,352	£138,338	£142,812
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The directors consider the freehold land and buildings to have a market value of approximately £900,000 as at 31 March 1999. The cost to the group as at 31 March 1999 was £700,000 (1998: £700,000).

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)****9 Tangible fixed assets (Continued)****COMPANY**

	Total	Property Improve- ments	Office Equipment	Computer Equipment
	£	£	£	£
Cost				
At 1 April 1998	1,110,876	482,822	234,082	393,972
Additions	208,187	11,876	25,387	170,924
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	1,319,063	494,698	259,469	564,896
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 1998	478,374	131,470	95,744	251,160
Charge	204,008	70,473	26,257	107,278
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	682,382	201,943	122,001	358,438
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 1999	£636,681	£292,755	£137,468	£206,458
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1998	£632,502	£351,352	£138,338	£142,812
	<hr/>	<hr/>	<hr/>	<hr/>

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)**

10 Investments held as fixed assets	Group	
	1999 £	1998 £
Own shares held by Bibendum Employee Benefit Trust	110,500	110,500
	<hr/>	<hr/>
	Company	
	1999 £	1998 £
Shares in subsidiaries at cost	707,675	707,675
Loan to a subsidiary	363,792	363,792
Provision against loan	(171,463)	(171,463)
Own shares held by Bibendum Employee Benefit Trust	110,500	110,500
	<hr/>	<hr/>
	£1,010,504	£ 1,010,504
	<hr/>	<hr/>

The company's subsidiaries are as follows:

Mixbury Trading Company Limited
The Yorkshire Fine Wines Company Limited
H. Youdell and Company Limited

All subsidiaries are dormant, are incorporated in England and are wholly owned by the company.

The Bibendum Employee Benefit Trust was set up to purchase shares in the company, and, with the agreement of the Board, share options exercisable into these shares will be granted to certain employees. The Trust is currently funded by cash contributions from the company.

The Bibendum Employee Benefit Trust owns 41,500 shares (1998 : 41,500 shares). 17,000 shares (1998: 19500) were held under option to employees.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)

11	Stock	Group and Company			
		1999		1998	
		£		£	
	Goods held for resale	1,256,851		1,720,148	
		<hr/>		<hr/>	
12	Debtors	1999			
				1998	
				£	
	Trade debtors	4,088,836		3,660,290	
	Advance corporation tax recoverable	28,216		28,216	
	Prepayments and accrued income	79,218		282,223	
		<hr/>		<hr/>	
		£4,196,270		£3,970,729	
		<hr/>		<hr/>	
13	Creditors: Amounts falling due within one year				
		Group		Company	
		1999	1998	1999	1998
		£	£	£	£
	Current portion of bank loan (note 14)	170,000	170,000	170,000	170,000
	Bank overdraft	37,791	-	37,791	-
	Trade creditors	3,850,306	3,961,796	3,850,306	3,961,796
	Corporation tax	1,828	240,152	1,828	240,152
	Other creditors including taxation and social security	290,294	202,494	290,298	202,498
	Accruals and deferred income	306,984	278,895	306,984	278,895
	Dividends payable	-	112,865	-	112,865
		<hr/>	<hr/>	<hr/>	<hr/>
		£4,657,203	£4,966,202	£4,657,207	£4,966,206
		<hr/>	<hr/>	<hr/>	<hr/>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)

14	Creditors: Amounts falling due after more than one year	Group and Company	
		1999	1998
		£	£
	Bank loans	520,000	690,000
	Convertible unsecured loan stock 2003	292,538	292,538
		<hr/>	<hr/>
		£812,538	£982,538
		<hr/>	<hr/>
	The bank loans are repayable as follows:		
	- due in less than one year (note 13)	170,000	170,000
		<hr/>	<hr/>
	- due between one and two years	170,000	170,000
	- due between two and five years	310,000	310,000
	- due after five years	40,000	210,000
		<hr/>	<hr/>
	- due in over one year (as above)	520,000	690,000
		<hr/>	<hr/>
		£690,000	£860,000
		<hr/>	<hr/>

The bank loans are made up as follows:

(i) £490,000 is repayable in equal quarterly instalments up to 2006. Interest is charged on the loan at a fixed rate of 9%. The loan is secured by way of a fixed and floating charge over the assets of the group and by an unlimited guarantee from the subsidiary Mixbury Trading Company Limited.

(ii) £200,000 is repayable over two years at £25,000 per quarter. Interest is charged on the loan at a rate of 1.5% above base rates. The loan is secured by way of a fixed and floating charge over the assets of the group and by an unlimited guarantee from the subsidiary Mixbury Trading Company Limited.

The 10% convertible unsecured loan stock is redeemable on 25 May 2003 and the amount payable on redemption is £292,538. The stock is convertible into 292,538 ordinary £1 shares which will rank equal in all respects to the existing ordinary share capital. Conversion is at the option of the holder at any date prior to redemption date.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)

15	Called up share capital	1999	1998
		£	£
	Authorised:		
	Ordinary shares of £1 each	1,500,000	1,500,000
	Cumulative redeemable 2% £1 preference shares	110,000	110,000
		<hr/>	<hr/>
		£1,610,000	£1,610,000
		<hr/>	<hr/>
	Allotted and fully paid:		
	Ordinary shares of £1 each	£1,170,150	£1,170,150
		<hr/>	<hr/>

Options on shares have been issued under the Executive Share Option Scheme and the Bibendum Employee Share Option Scheme 1995 as follows:

Date of issue	Number of shares	Price	Earliest date	Latest date
14.11.1989	110,000	£1	14.11.1992	14.11.1999
22.05.1990	16,000	£1	22.05.1993	22.05.2000
16.03.1998	19,500	£3.03	16.03.2001	16.03.2005

The share option schemes are open to directors and employees.

16	Profit and loss account	Group	Company
		£	£
	At 31 March 1998	340,404	540,404
	Loss for the financial year	(79,993)	(79,993)
		<hr/>	<hr/>
	At 31 March 1999	£260,411	£460,411
		<hr/>	<hr/>

Cumulative goodwill written off to group reserves amounts to £371,463 (1998: £371,463).

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)**

17	Reconciliation of movement in shareholders' funds	Group and Company	
		1999	1998
		£	£
	(Loss) / profit for the financial year	(79,993)	543,571
	Dividends	-	(112,865)
		<hr/>	<hr/>
	Net (reduction in) / addition to shareholders' funds	(79,993)	430,706
	Opening shareholders' funds	1,710,554	1,279,848
		<hr/>	<hr/>
	Closing shareholders' funds	£1,630,561	£1,710,554
		<hr/>	<hr/>

18 Guarantees and other financial commitments

At the balance sheet date, the company had entered into forward foreign exchange contracts with a value amounting to £ 4,229,183 (1998: £4,840,439).

	Group and Company	
	1999	1998
Capital commitments - contracted for, but not provided in the accounts	£Nil	£50,000
	<hr/>	<hr/>

19 Reconciliation of operating profit to net cash inflow from operating activities

	1999	1998
	£	£
Operating profit	47,773	939,544
Depreciation charge	204,008	124,893
Decrease / (increase) in stock	463,297	(203,083)
(Increase) in debtors	(225,541)	(431,612)
Increase in creditors	4,399	327,853
	<hr/>	<hr/>
Net cash inflow from operating activities	493,936	757,595
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1999 (Continued)

20	Reconciliation of net cash flow to movement in net debt	1999	1998
		£	£
	Decrease in cash in the period	(363,206)	(152,441)
	Cash outflow / (inflow) from loans	170,000	(230,000)
		_____	_____
	Change in net debt	(193,206)	(382,441)
	Net debt at 1 April 1998	(827,123)	(444,682)
		_____	_____
	Net debt at 31 March 1999	£(1,020,329)	£(827,123)
		_____	_____

21 Analysis of changes in net debt during the year

	At 1 April 1998	Cash flows	Other changes	At 31 March 1999
	£	£	£	£
Cash at bank	325,415	(363,206)	-	(37,791)
Debt due within one year	(170,000)	170,000	(170,000)	(170,000)
Debt due after one year	(982,538)	-	170,000	(812,538)
	_____	_____	_____	_____
	£(827,123)	£(193,206)	£ Nil	£(1,020,329)
	_____	_____	_____	_____

22 Operating leases

Bibendum Wine Limited holds motor vehicles on non-cancellable operating leases. The annual net commitments under these leases are as follows:

	1999	1998
	£	£
Leases expiring:		
Within one year	2,400	20,095
Between two and five years	14,659	2,929
	_____	_____
	17,059	23,024
	_____	_____