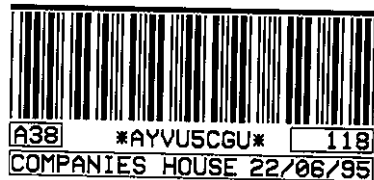


2218928

BIBENDUM WINE LIMITED
REPORT AND ACCOUNTS

for the year ended

31 MARCH 1995



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

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 1995

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Consolidated profit and loss account	6
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Consolidated cash flow statement	8
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BIBENDUM WINE LIMITED

DIRECTORS' REPORT for the year ended 31 MARCH 1995

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 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the group are those of wine importers and distributors.

The operating results for the year show a marked improvement over the prior year. Turnover has increased by 13% from £9,111,109 to £10,314,393. The operating profit for the year was £257,377. In comparison, the operating loss in the year to 31 March 1994 was £8,609 after charging exceptional costs of £119,555.

The directors anticipate improved profitability in the current financial year.

The directors do not recommend the payment of a dividend. The retained profit for the year of £140,719 (1994 loss £143,162) will be transferred to the group's reserves.

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 13)	Ordinary Shares of £1 each	
		31 March 1995	31 March 1994
B.J. Collins	30,000	311,000	311,000
T.N. Heywood-Lonsdale	30,000	150,000	150,000
S.C. Farr	30,000	120,000	120,000
A.J. Arkwright	-	75,000	75,000
P.H.R. Gwyn	-	60,000	60,000
M.P. Saunders	20,000	42,500	42,500
V.A. Cazalet	-	20,000	20,000
J.S. Pethick	-	60,000	60,000
W.O. Lebus	16,000	40,000	40,000

During the year ended 31 March 1995 Mr. T.N. Heywood-Lonsdale had a non-beneficial interest as trustee in 1,800 ordinary shares.

BIBENDUM WINE LIMITED

DIRECTORS' REPORT for the year ended 31 MARCH 1995 (Continued)

FIXED ASSETS

Information relating to changes in tangible fixed assets is given in note 7 to the accounts.

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 1995.

CLOSE COMPANY STATUS

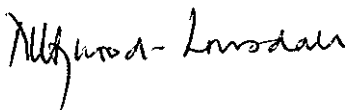
The company is a close company within the provisions of the Income & Corporation Taxes Act 1988.

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 N Heywood-Lonsdale
SECRETARY

113 Regents Park Road,
London, NW1 8UR

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.

Smith & Williamson

Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS OF BIBENDUM WINE LIMITED

We have audited the accounts on pages 6 to 18 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 is also 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, 1995 and of the group's profit 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

24 May 1995

BIBENDUM WINE LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 1995**

	Notes	1995	1994
		£	£
TURNOVER	1	10,314,393	9,111,109
Cost of sales		(8,269,408)	(7,110,857)
GROSS PROFIT		2,044,985	2,000,252
Administrative expenses		(602,533)	(680,609)
Exceptional administrative expenses	2	-	(119,555)
Selling and distribution costs		(1,223,303)	(1,244,531)
Other operating income		38,228	35,834
OPERATING PROFIT/(LOSS)	2	257,377	(8,609)
Other interest receivable and similar income	3	2,006	63
Interest payable and similar charges	4	(118,664)	(134,616)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		140,719	(143,162)
Tax on profit/(loss) on ordinary activities	6	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	14	£ 140,719	£ (143,162)

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

The accompanying notes are an integral part of these accounts.

BIBENDUM WINE LIMITED
BALANCE SHEETS as at 31 MARCH 1995

		Group		Company	
	Notes	31 March 1995	31 March 1994	31 March 1995	31 March 1994
		£	£	£	£
FIXED ASSETS					
Tangible assets	7	1,027,012	1,041,007	127,012	141,007
Investment	8	-	-	900,004	900,004
		<u>1,027,012</u>	<u>1,041,007</u>	<u>1,027,016</u>	<u>1,041,011</u>
CURRENT ASSETS					
Stock	9	1,064,831	992,953	1,064,831	992,953
Debtors	10	1,641,813	1,738,585	1,641,813	1,738,585
		<u>2,706,644</u>	<u>2,731,538</u>	<u>2,706,644</u>	<u>2,731,538</u>
CREDITORS: Amounts falling due within one year	11	(2,658,056)	(2,646,110)	(2,658,060)	(2,646,114)
NET CURRENT ASSETS		<u>48,588</u>	<u>85,428</u>	<u>48,584</u>	<u>85,424</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,075,600</u>	<u>1,126,435</u>	<u>1,075,600</u>	<u>1,126,435</u>
CREDITORS: Amounts falling due after more than one year	12	(492,536)	(578,250)	(492,536)	(578,250)
NET ASSETS		<u>£ 583,064</u>	<u>£ 548,185</u>	<u>£ 583,064</u>	<u>£ 548,185</u>
CAPITAL AND RESERVES					
Called up share capital	13	1,170,150	1,275,990	1,170,150	1,275,990
Revaluation reserve		200,000	200,000	-	-
Profit and loss account	14	(787,086)	(927,805)	(587,086)	(727,805)
SHAREHOLDERS' FUNDS	15	<u>£ 583,064</u>	<u>£ 548,185</u>	<u>£ 583,064</u>	<u>£ 548,185</u>

These accounts were approved by the Board of Directors on *23rd May 1995*

and signed on behalf of the Board of Directors.

T.N. Heywood-Lonsdale
T.N. Heywood-Lonsdale

BIBENDUM WINE LIMITED**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 1995**

	Notes	1995	1994
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	525,324	16,235
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		2,006	63
Interest paid		(118,664)	(134,616)
Net cash (outflow) from returns from investments and servicing of finance		(116,658)	(134,553)
INVESTING ACTIVITIES:			
Payments to acquire tangible fixed assets		(42,385)	(43,451)
Receipts from sales of tangible fixed assets		-	1,300
Net cash (outflow) from investing activities		(42,385)	(42,151)
Net cash inflow/(outflow) before financing		366,281	(160,469)
FINANCING:			
Proceeds of other loan		105,840	-
Issue of unsecured loan stock		-	292,538
Repayment of bank loan		(85,714)	(85,719)
Repayment of unsecured loan		-	(95,000)
Redemption of preference shares		(105,840)	-
Net cash (outflow)/inflow from financing		(85,714)	111,819
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	19	£280,567	£(48,650)

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1995

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 Bibendum Wine Limited and all its subsidiaries made up to 31 March 1995. 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 Bibendum Wine Limited, 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 7, 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:-

Office furniture and equipment	15% per annum
Motor vehicles	25% per annum
Computer equipment	25% 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.

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 probably that a liability or asset will crystallise.

The company has no intention of selling its freehold land and buildings in the foreseeable future, and for this reason the potential amount of any deferred tax has not been quantified.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1995 (Continued)

1 Accounting policies (Continued)

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.

Pension Costs

The company operates a defined benefit scheme for certain employees. Contributions are charged to the profit and loss account as they become payable.

2	Operating profit	1995	1994
		£	£
	Operating profit is stated after charging:		
	Depreciation	56,380	66,826
	Hire of equipment	289	4,609
	Auditors' remuneration	12,750	11,250
	Exceptional item (see below)	-	119,555
		<hr/>	<hr/>

The exceptional item during the year ended 31 March 1994 comprised restructuring costs of the Yorkshire Fine Wine business in the north of England.

3 Other interest receivable and similar income

Bank interest receivable	£ 2,006	£ 63
	<hr/>	<hr/>

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1995 (Continued)**

4	Interest payable and similar charges	1995	1994
		£	£
	On convertible unsecured loan stock 2003	29,256	23,865
	On bank loan repayable 1994-1998	26,978	33,241
	On bank overdraft	54,533	76,202
	On unsecured loans	7,897	1,308
		<hr/>	<hr/>
		£ 118,664	£ 134,616
		<hr/>	<hr/>

5 Information regarding directors and employees

Employee costs during the year amounted to:

	£	£
Wages and salaries	834,155	918,843
Social security costs	75,870	84,564
Pension costs	24,063	26,377
	<hr/>	<hr/>
	£ 934,088	£1,029,784
	<hr/>	<hr/>

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

Selling and distribution	24	32
Administration	10	10
	<hr/>	<hr/>
	34	42
	<hr/>	<hr/>

5 Information regarding directors and employees (Continued)

Directors' remuneration

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

	1995	1994
Directors' remuneration (including pension contributions)	£ 250,821	£261,587
	<u> </u>	<u> </u>

The directors' remuneration shown above, excluding pension contributions, includes:

Chairman and highest paid director	£ 64,335	£ 60,999
	<u> </u>	<u> </u>

The number of directors (including the chairman and highest paid director) who received emoluments (excluding pension contributions) in the following ranges:

	No.	No.
£25,001 - £30,000	-	1
£30,001 - £35,000	-	1
£35,001 - £40,000	2	1
£45,001 - £50,000	-	1
£50,001 - £55,000	2	1
£60,001 - £65,000	1	1
	<u> </u>	<u> </u>

The remaining directors were non-executive directors who received no emoluments during the year.

6 Tax on loss on ordinary activities

No current tax charge has arisen. The company has tax losses amounting to approximately £230,000 (1994: £450,000) available for offset against future trading profits.

Tangible fixed assets

GROUP	Total	Freehold	Office	Motor	Computer
		Land and	Furniture &		
		Buildings	Equipment	Vehicles	Equipment
	£	£	£	£	£
COST OR VALUATION					
At 1 April, 1994	1,218,719	900,000	149,519	19,644	149,556
Additions	42,385	-	10,069	-	32,316
At 31 March, 1995	1,261,104	900,000	159,588	19,644	181,872
DEPRECIATION					
At 1 April, 1994	177,712	-	73,157	18,727	85,828
Charge	56,380	-	20,263	917	35,200
At 31 March, 1995	234,092	-	93,420	19,644	121,028
NET BOOK VALUE					
At 31 March, 1995	£1,027,012	£ 900,000	£ 66,168	-	£ 60,844
At 31 March, 1994	£1,041,007	£ 900,000	£ 76,362	£ 917	£ 63,728

On 1 July 1993, Gerald Eve, independent chartered surveyors, valued the freehold land and buildings, which are included in the accounts at the book value of £900,000, at a market value of £800,000. The directors consider the freehold land and buildings to have a market value of approximately £900,000 as at 31 March 1995. The cost to the group as at 31 March, 1995 was £700,000 (1994: £700,000).

Tangible fixed assets (Continued)

COMPANY

	Total	Office Equipment	Motor Vehicles	Computer Equipment
	£	£	£	£
COST				
At 1 April, 1994	318,719	149,519	19,644	149,556
Additions	42,385	10,069	-	32,316
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March, 1995	361,104	159,588	19,644	181,872
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 April, 1994	177,712	73,157	18,727	85,828
Charge	56,380	20,263	917	35,200
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March, 1995	234,092	93,420	19,644	121,028
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 March, 1995	£ 127,012	£ 66,168	£ -	£ 60,844
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March, 1994	£ 141,007	£ 76,362	£ 917	£ 63,728
	<hr/>	<hr/>	<hr/>	<hr/>

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 1995 (Continued)**

8	Investment held as fixed assets	1995	1994
		£	£
	Shares in subsidiaries (see note below)	707,675	707,675
	Loan to Mixbury Trading Company Limited	363,792	363,792
	Provision (see note below)	(171,463)	(171,463)
		<hr/>	<hr/>
		£ 900,004	£ 900,004
		<hr/>	<hr/>
	Analysis of shares in subsidiaries:	£	£
	Mixbury Trading Company Limited (dormant)	707,671	707,671
	The Yorkshire Fine Wines Company Limited (dormant)	2	2
	H. Youdell and Company Limited (dormant)	2	2
		<hr/>	<hr/>
		£ 707,675	£ 707,675
		<hr/>	<hr/>

All subsidiaries are incorporated in England and are wholly owned by Bibendum Wine Limited.

The provision is in respect of a permanent diminution in the value of Mixbury Trading Company Limited as a result of the diminution in the value of its freehold property.

9	Stock	Group and Company	
		1995	1994
	Goods held for resale	£ 1,064,831	£ 992,953
		<hr/>	<hr/>
10	Debtors	1995	1994
		£	£
	Trade debtors	1,566,814	1,635,463
	Other debtors	8,271	53,870
	Prepayments and accrued income	66,728	49,252
		<hr/>	<hr/>
		£ 1,641,813	£ 1,738,585
		<hr/>	<hr/>

Creditors: Amounts falling due within one year

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Current portion of bank loan and overdraft	474,759	755,326	474,759	755,326
Other loan (see note 13)	105,840	-	105,840	-
Trade creditors	1,727,541	1,640,114	1,727,541	1,640,114
Other creditors including taxation and social security	240,468	143,550	240,472	143,554
Accruals and deferred income	109,448	107,120	109,448	107,120
	<u>£ 2,658,056</u>	<u>£ 2,646,110</u>	<u>£ 2,658,060</u>	<u>£2,646,114</u>

Creditors: Amounts falling due after one year

	Group and Company	
	1995	1994
	£	£
Bank loan (see below)	199,998	285,712
Convertible unsecured loan stock 2003	292,538	292,538
	<u>£ 492,536</u>	<u>£ 578,250</u>
Bank loan and overdraft		
- due less than one year	474,759	755,326
- due between one and two years	85,714	85,714
- due between two and five years	114,284	199,998
	<u>£ 674,757</u>	<u>£ 1,041,038</u>

The bank loan is repayable in equal monthly instalments from 1994 to 1998. Interest is charged on the loan at 2 1/8% over the prevailing rate of the National Westminster Bank plc. The loan and overdraft (in notes 11 and 12) are secured by way of a fixed and floating charge over the assets of the group.

On 26 May 1993 the company issued 10% convertible unsecured loan stock 2003 by way of a one for four rights issue. The 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.

Called up share capital

	Group and Company	
	1995	1994
	£	£
Authorised:		
Ordinary shares of £1 each	1,500,000	1,500,000
Cumulative redeemable 2% £1 preference shares	110,000	110,000
	<u>£1,610,000</u>	<u>£1,610,000</u>

Called up share capital (cont.)	Group and Company	
	1995	1994
Allotted and fully paid:		
	£	£
Ordinary shares of £1 each	1,170,150	1,170,150
105,840 cumulative redeemable 2% £1 preference shares	-	105,840
	<u>£1,170,150</u>	<u>£1,275,990</u>

The company's 2% £1 preference shares were redeemed on 19 May 1994. This was achieved by a permissible capital payment in accordance with the provisions set out in the Companies Act 1985. The shareholders waived their right to cumulative unpaid dividends, which at redemption amounted to £12,701. The preference shareholders agreed to an unsecured loan of £105,840. Interest is payable on the loan at 2¾% over base rate.

Options on shares have been issued under the Executive Share Option Scheme 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

The share option scheme is open to directors and employees.

Profit and loss account	Group	Company
	£	£
At 1 April, 1994	(927,805)	(727,805)
Profit for the financial year	140,719	140,719
	<u>£(787,086)</u>	<u>£(587,086)</u>

Cumulative goodwill written off to group reserves amounts to £371,463 (1994: £371,463).

Reconciliation of movement in shareholders' funds	Group and Company	
	1995	1994
	£	£
Profit/(loss) for the year	140,719	(143,162)
Redemption of preference shares	(105,840)	-
	<u>34,879</u>	<u>(143,162)</u>
Net addition to shareholders' funds	34,879	(143,162)
Opening shareholders' funds	548,185	691,347
	<u>£583,064</u>	<u>£548,185</u>

Guarantees and other financial commitments

At the balance sheet date, the company had entered into forward foreign exchange contracts with a value amounting to £1,676,844 (1994: £1,687,000).

	Group and Company	
	1995	1994
Contracted for, but not provided in the accounts	£ 12,956	£ 12,000
Authorised, but not yet contracted for	£ 61,049	£ 36,000

Pension costs

A defined contribution pension scheme was set up on 1 April 1989. Bibendum Wine Limited will have no liability arising as a result of this scheme, except their element of monthly contributions. The charge for pension costs during the year was £24,063 (1994: £26,377).

Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	1995 £	1994 £
Operating profit/(loss)	257,377	(8,609)
Depreciation charge	56,380	66,826
Loss on sale of tangible fixed assets	-	8,730
(Increase) in stock	(71,878)	(62,973)
Decrease/(increase) in debtors	96,772	(320,457)
Increase in creditors	186,673	332,718
Net cash inflow from operating activities	£ 525,324	£ 16,235

Analysis of balances and changes in cash and cash equivalents in the year

	1993 £	Change in year £	1994 £	Change in year £	1995 £
Bank overdraft	£(620,960)	£(48,650)	£(669,610)	£ 280,567	£(389,043)

Analysis of changes in financing during the year

	Share capital £	Bank loan £	Other loan £
Balance at 1 April 1994	1,275,990	371,428	-
Cash inflow/(outflow) from financing	(105,840)	(85,714)	105,840
Balance at 31 March 1995	£1,170,150	£ 285,714	£ 105,840