

VINE PRODUCTS AND WHITEWAYS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

4TH MARCH, 1989

212433



Company Number: 212433

PEAT MARWICK McLINTOCK
Bl: Horse House, Alexandra Terrace, Guildford, GU1 3AE

VINE PRODUCTS AND WHITEWAYS LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and audited accounts for the 52 weeks ended 4th March, 1989.

PRINCIPAL ACTIVITY

The principal activity of the company is the production of British Wine and non-alcoholic drinks for distribution and sale in the home and overseas markets together with the sale of fortified wines, table wines and spirits.

BUSINESS REVIEW

The company has continued to consolidate its position in the British Wine sector in an increasingly competitive market.

During the year the company has been preparing for the relocation of its business activities at Kingston, Huddersfield and Marston Magna to a site at Whitchurch, Avon. The relocation, which will take place during 1989/90, has necessitated direct expenditure of a non-recurring nature of some £3,900,000 during this financial year. These costs have been included in other operating charges within the profit and loss account.

During the year, the company disposed of property at a profit of £485,000.

PROFIT AND DIVIDENDS

The attached profit and loss account shows the profit for the 52 weeks ended 4th March, 1989 together with the transfers to the revenue reserve and the dividends paid and proposed.

DIRECTORS

The directors of the company during the year were as follows:

| | |
|-----------------|---|
| P. Davey | Chairman and Chief Executive (Resigned 21st March, 1988) |
| J.L. Wilkinson | |
| A.R. Allen | |
| D. Beatty | Appointed 25th May, 1988 |
| E.T.S. Brown | |
| A. Burge | Appointed 3rd May, 1988 |
| M.G. Dane | Resigned 5th September, 1988 |
| M.W. Davis | |
| I.F. Dutton | Appointed 14th November, 1988 |
| G.N. Gent | |
| D.M. Gwyther | |
| M.C.J. Jackaman | |
| D.W. Lascelles | |
| C.H.E. Smith | Resigned 3rd May, 1988 |
| E.V.M. Whiteway | |
| R. Woolf | |

VINE PRODUCTS AND WHITEWAYS LIMITED

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS

The notifiable interests of directors in shares and stock of Allied-Lyons PLC, including options granted under the terms of the Employee Share Scheme to subscribe for ordinary shares of that company, as recorded in the Register of Directors' Shareholdings, were as follows:

| <u>Name of director</u> | <u>Interests at</u> <u>4th March, 1989</u> | | <u>Interests at</u> <u>5th March, 1988</u> | |
|-------------------------|--|--|--|--|
| | <u>Ordinary</u> <u>shares of</u> <u>25p each</u> | <u>Options to</u> <u>purchase</u> <u>ordinary</u> <u>shares of</u> <u>25p each</u> | <u>Ordinary</u> <u>shares of</u> <u>25p each</u> | <u>Options to</u> <u>purchase</u> <u>ordinary</u> <u>shares of</u> <u>25p each</u> |
| A.R. Allen | - | 12,013 | - | 8,944 |
| E.T.S. Brown | 4,621 | 16,488 | 3,570 | 16,092 |
| A. Burge | - | 8,492 | - | 5,423 |
| M.W. Davis | - | 12,337 | - | 11,081 |
| G.N. Gent | 19,279 | 14,009 | 19,279 | 11,963 |
| D.M. Gwyther | 2,393 | 19,882 | - | 20,229 |
| D.W. Lascelles | 250 | - | 250 | - |
| E.V.M. Whiteway | 375,000 | - | 375,000 | - |
| J.L. Wilkinson | - | 19,776 | - | 17,730 |
| R. Woolf | 3,009 | 16,991 | 3,000 | 19,533 |

RESEARCH AND DEVELOPMENT

The company carried on a continuing programme of research to further develop its products.

EMPLOYEE INVOLVEMENT

The importance of meaningful communication and consultation systems for good industrial relations is recognised by the company; such systems are well developed and improvements are continually sought.

The company is concerned to provide information on its performance and the performance of the parent company; various methods including house newspapers and special bulletins are used to this end. Financial announcements and documents issued to shareholders of Allied-Lyons PLC are summarised for employees.

VINE PRODUCTS AND WHITEWAYS LIMITED

REPORT OF THE DIRECTORS

EMPLOYEE INVOLVEMENT (Continued)

Regular meetings take place with the representatives of recognised trade unions on a wide range of company activities and there is also a joint consultative committee structure. These form the basis for ascertaining the views of employees. These views are taken into account in making decisions likely to affect their interests.

Employees are encouraged to participate in employee share schemes operated by Allied-lyons PLC; these schemes are under continual development and are designed to encourage the involvement of employees in the company's performance through being shareholders. The company also participates in the Allied Vintners division employees' profit-sharing scheme.

Employees also contribute to the management of pension schemes through Scheme Management Committees and by the election of employee trustees to the pension fund.

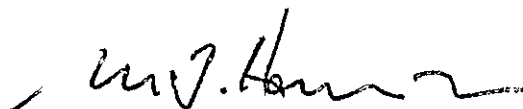
EMPLOYMENT OF DISABLED PERSONS

The company wishes to reaffirm its continuing practice of giving full and fair consideration to applications for employment from disabled persons. The company will continue to provide facilities for training and development of disabled persons as stated within the Company Training Policy. Disabled employees are given the same opportunity for promotion as their able-bodied colleagues, having regard to their particular aptitudes and abilities. The company will maintain its policy of continuing, wherever possible, the employment of a person who becomes disabled whilst in the company's service, arranging appropriate training where it is necessary.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Peat Marwick McLintock as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Secretary

AUDITORS' REPORT TO THE MEMBERS OF
VINE PRODUCTS AND WHITEWAYS LIMITED

We have audited the accounts on pages 5 to 17 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 4th March, 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

15 MAY 1989

Guildford

Paul Marvick McLinkah.

Chartered Accountants

VINE PRODUCTS AND WHITEWAYS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 4TH MARCH, 1989

| | Note | 52 weeks ended 4th March, 1989 £'000 | 52 weeks ended 5th March, 1988 £'000 |
|--|------|--|--|
| TURNOVER | 2 | 93,154 | 93,767 |
| Change in stocks of finished goods and work in progress | | 644 | 1,670 |
| | | <u>93,798</u> | <u>95,437</u> |
| Raw materials and consumables | | 19,030 | 21,964 |
| Other external charges | | 43,209 | 42,278 |
| Staff costs | | 8,149 | 6,832 |
| Depreciation and other amounts written off tangible fixed assets | | 1,073 | 904 |
| Other operating charges | | 16,562 | 14,815 |
| | | <u>(88,023)</u> | <u>(86,793)</u> |
| OPERATING PROFIT | | <u>5,775</u> | <u>8,644</u> |
| Profit on disposal of property | | 485 | 1,044 |
| Interest receivable from group companies | | 1,579 | 1,230 |
| Merger costs | | - | (63) |
| Interest payable | | (31) | (12) |
| | | <u>2,033</u> | <u>2,199</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 3 | 7,808 | 10,843 |
| Tax on profit on ordinary activities | 5 | (3,082) | (3,512) |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 4,726 | 7,331 |
| Dividends paid and proposed | 7 | (1,799) | (32,348) |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES | | <u>2,927</u> | <u>(25,017)</u> |
| STATEMENT OF RETAINED PROFITS | | | |
| Profit and loss account at 5th March, 1988 | | 1,957 | 26,974 |
| Profit/(Loss) for financial year | | 2,927 | (25,017) |
| PROFIT AND LOSS ACCOUNT AT 4TH MARCH, 1989 | | <u>4,884</u> | <u>1,957</u> |

The notes on pages 8 to 17 form part of these accounts.

VINE PRODUCTS AND WHITEWAYS LIMITED

BALANCE SHEET AT 4TH MARCH, 1989

| | Note | 4th March, 1989 £'000 | 5th March, 1988 £'000 |
|---|------|--------------------------|--------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 12,603 | 9,102 |
| Investments in group companies | 9 | 911 | 911 |
| | | <hr/> | <hr/> |
| | | 13,514 | 10,013 |
| CURRENT ASSETS | | | |
| Stocks | 10 | 20,543 | 21,010 |
| Debtors | 11 | 12,377 | 14,189 |
| Cash at bank and in hand | | 2,884 | 3,234 |
| | | <hr/> | <hr/> |
| | | 35,804 | 38,433 |
| CREDITORS: Amounts falling due within one year | 12 | (38,470) | (40,783) |
| | | <hr/> | <hr/> |
| NET CURRENT LIABILITIES | | (2,666) | (2,350) |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 10,848 | 7,663 |
| CREDITORS: Amounts falling due after more than one year | 13 | (162) | (246) |
| PROVISIONS FOR LIABILITIES AND CHARGES | 6 | (1,500) | (890) |
| | | <hr/> | <hr/> |
| | | 9,186 | 6,527 |
| | | <hr/> | <hr/> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 1,770 | 1,770 |
| Revaluation reserve | 16 | 2,532 | 2,800 |
| Profit and loss account | | 4,884 | 1,957 |
| | | <hr/> | <hr/> |
| | | 9,186 | 6,527 |
| | | <hr/> | <hr/> |

Approved by the directors on

15 MAY 1989

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) Directors
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The notes on pages 8 to 17 form part of these accounts.

VINE PRODUCTS AND WHITEWAYS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE 52 WEEKS ENDED 4TH MARCH, 1989

| | 52 weeks ended 4th March, 1989 | | 52 weeks ended 5th March, 1988 | |
|--|-----------------------------------|----------------|-----------------------------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| SOURCE OF FUNDS | | | | |
| From trading operations: | | | | |
| Profit before tax | | 7,808 | | 10,743 |
| Adjustment for items not involving the movement of funds: | | | | |
| Depreciation | 1,073 | | 904 | |
| Profit on disposal of fixed assets | (722) | | (1,044) | |
| | | 351 | | (140) |
| FUNDS GENERATED FROM OPERATIONS | | <u>8,159</u> | | <u>10,703</u> |
| FUNDS FROM OTHER SOURCES | | | | |
| Disposal of fixed assets | 982 | | 1,228 | |
| Increase in creditors: amounts falling due after more than one year | - | | 159 | |
| | | 982 | | 1,387 |
| | | <u>9,141</u> | | <u>12,090</u> |
| APPLICATION OF FUNDS | | | | |
| Dividends paid | 3,469 | | 32,460 | |
| Expenditure on fixed assets (net) | 5,102 | | 2,001 | |
| Tax paid | 3,490 | | 3,498 | |
| Decrease in creditors amounts falling due after more than one year | 84 | | - | |
| | | (12,145) | | (37,959) |
| | | <u>(3,004)</u> | | <u>(25,869)</u> |
| DECREASE IN WORKING CAPITAL | | | | |
| Stocks | | (467) | | (848) |
| Debtors | | (1,812) | | (903) |
| Creditors | | (375) | | (24,022) |
| | | <u>(2,654)</u> | | <u>(25,773)</u> |
| Movement in net liquid funds: | | | | |
| Decrease in cash at bank and in hand | | (350) | | (96) |
| | | <u>(3,004)</u> | | <u>(25,869)</u> |

The notes on pages 8 to 17 form part of these accounts.

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting date

The accounts are drawn up for successive periods of 52 weeks, and when required 53 weeks, ending the first Saturday in March. Each such accounting period carries a full annual quantum of all items of income and expenditure which accrue on an annual or part-annual basis.

(b) Basis of preparation of accounts

These accounts are prepared under the historical cost convention, as modified by the revaluation of properties, and in compliance with Section 228 of, and Schedule 4 to, the Companies Act 1985.

(c) Deferred Tax

Provision is made on the liability basis for the tax effect arising from all timing differences other than for those deferred liabilities which are expected with reasonable probability to continue to be deferred beyond the foreseeable future.

(d) Stocks

The valuation of trading stocks is at the lower of cost and net realisable value. Cost comprises purchase price and direct production costs including an appropriate proportion of overheads with applicable customs and excise duties.

(e) Depreciation

No depreciation is provided on freehold land.

Depreciation on buildings is calculated to write off the cost or valuation over 50 years or, in the case of leaseholds, at a rate to reduce the net book amount to nil within the period of the lease. Depreciation on plant, machinery, vehicles and sundry equipment is calculated to write off the cost thereof over their useful lives in equal annual instalments.

Current rates of depreciation are:

| | |
|---|-----------|
| Plant and machinery | 10% - 20% |
| Vats and tanks | 5% |
| Office machinery, fixtures and fittings | 15% |
| Computer equipment | 15% - 25% |
| Vehicles | 15% - 20% |

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

(f) Research and development

Expenditure is written off as incurred.

(g) Leasing

The cost of assets held under finance leases is included under tangible assets and depreciation is provided in accordance with the group's accounting policy for the class of fixed assets concerned. The interest cost is charged evenly over the term of the lease and the capital element of future lease payments is included in creditors.

The cost of operating leases is charged as incurred.

(h) Gains and losses on disposal of properties and investments

The gain or loss on disposal of properties is the difference between the net realisation and the sum of the cost or book value at the time of acquisition by the group and subsequent additions. Hence, adjustments to book value, occasioned by revaluations whilst in group ownership, previously taken to capital reserve are brought back to profit and loss account on disposal. The gain or loss on disposal of investments arising from the ordinary management of the group's portfolio is included in profit before tax and comprises the difference between net realisation and book value.

(i) Investments

Investments are stated at cost, less provision for any permanent diminution in value.

(j) Retirement benefits

Contributions to the group pension schemes in respect of current service and the cost of augmenting existing pensions are charged against profits.

2. TURNOVER

Turnover represents sales including sales to fellow subsidiaries, excluding value added tax, and is wholly within the United Kingdom.

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging the following amounts:

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|---------------------------------|-----------------------------|-----------------------------|
| Wages and salaries | 6,593 | 6,404 |
| Social security costs | 571 | 418 |
| Other pension costs (note 4) | 698 | 10 |
| Hire of plant and machinery | 44 | 50 |
| Auditors' remuneration | 32 | 31 |
| Directors' emoluments (note 18) | 422 | 516 |

4. PENSION COSTS

The pension arrangements for the company's employees are covered by Allied-Lyons Pension Schemes. These are contracted out of the State Graduated Pension Arrangements and in respect of service from April 1978 all benefits are fixed by reference to final pay. The actuarial valuations at 5th April, 1985 indicated a surplus on a discontinuance basis subject to completion of the past service payments and a modest long term surplus of assets over liabilities.

5. TAXATION

The charge for taxation is based on the profit for the year and is as follows:

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|---|-----------------------------|-----------------------------|
| Corporation tax on profit for the year at 35% | 2,500 | 3,487 |
| Prior year adjustments | (28) | 25 |
| Transfer to deferred taxation | 610 | - |
| | <u>3,082</u> | <u>3,512</u> |

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

6. DEFERRED TAXATION

The potential amount of deferred taxation on timing differences is as follows:

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|--------------------------------|-----------------------------|-----------------------------|
| Accelerated capital allowances | 1,500 | 1,177 |

Provision has been made as follows:

| | | |
|--------------------------------|--------------|------------|
| Accelerated capital allowances | <u>1,500</u> | <u>890</u> |
|--------------------------------|--------------|------------|

The potential tax liability on capital gains which might arise on disposal of properties at their balance sheet values has not been quantified because the directors are of the opinion that the probability of any material tax liability arising is remote.

7. DIVIDENDS

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|-------------------------|-----------------------------|-----------------------------|
| Ordinary - interim paid | 1,799 | 30,678 |
| - final proposed | - | 1,670 |
| | <u>1,799</u> | <u>32,348</u> |

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

8. TANGIBLE FIXED ASSETS

| | <u>Land and buildings</u> | | <u>Plant and machinery</u> | <u>Motor vehicles and sundry equipment</u> | <u>Total</u> |
|-------------------------|---------------------------|---------------------------------|----------------------------|--|---------------|
| | <u>Freehold property</u> | <u>Short leasehold property</u> | | | |
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> |
| Cost or valuation: | | | | | |
| At 5th March, 1988 | 4,468 | 64 | 7,659 | 3,317 | 15,508 |
| Additions | 463 | 257 | 3,550 | 832 | 5,102 |
| Disposals and transfers | (399) | - | (150) | (382) | (931) |
| At 4th March, 1989 | <u>4,532</u> | <u>321</u> | <u>11,059</u> | <u>3,767</u> | <u>19,679</u> |
| Depreciation: | | | | | |
| At 5th March, 1988 | 224 | 39 | 4,667 | 1,476 | 6,406 |
| Charged in year | 54 | 3 | 552 | 464 | 1,073 |
| Disposals and transfers | (7) | - | (133) | (263) | (403) |
| At 4th March, 1989 | <u>271</u> | <u>42</u> | <u>5,086</u> | <u>1,677</u> | <u>7,076</u> |
| Net book value: | | | | | |
| At 4th March, 1989 | <u>4,261</u> | <u>279</u> | <u>5,973</u> | <u>2,090</u> | <u>12,603</u> |
| At 5th March, 1988 | <u>4,244</u> | <u>25</u> | <u>2,992</u> | <u>1,841</u> | <u>9,102</u> |

All freehold properties within the ownership of Vine Products and Whiteways Limited were revalued as at 3rd March, 1984 on the basis of their existing open market value. The valuations were carried out by the group's professional staff of qualified surveyors.

The net book value of motor vehicles and sundry equipment includes £362,610 (1988: £331,131) in respect of the assets held under finance leases, on which depreciation of £72,750 (1988: £26,583) was charged during the period.

The cost or valuation figure includes:

| | <u>Freehold Property</u> | |
|------------------------|--------------------------|--------------|
| | <u>1989</u> | <u>1988</u> |
| | <u>£'000</u> | <u>£'000</u> |
| Revaluations made 1984 | 2,532 | 2,513 |
| Historical Cost | 2,000 | 1,955 |
| | <u>4,532</u> | <u>4,468</u> |

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

8. TANGIBLE FIXED ASSETS (Continued)

The net book value of the revalued freehold property as determined under the historical cost accounting rules amounts to £1,196,000 (1988: £1,381,000).

9. INVESTMENTS

Investments comprise shares in subsidiary companies at the lower of cost or net asset value of the individual companies concerned. The book value of investments at 4th March, 1989 was £911,000 (1988: £911,000)

The company's wholly owned subsidiaries at 4th March, 1989 were:

| | <u>Country of incorporation</u> | <u>Nature of business</u> |
|--|-------------------------------------|---------------------------|
| Woolley Duval & Beaufoys Limited | Great Britain | Non-trading |
| British Wine Company (London) Limited | Great Britain | Non-trading |
| Whiteways of Whimble Limited | Great Britain | Non-trading |
| Seagers Wines Limited | Great Britain | Non-trading |
| Vine Products Limited (formerly Jules Duval & Co Limited) | Great Britain | Non-trading |
| Aspen Wines (South Africa) (Proprietary) Limited* | South Africa | Non-trading |

* Shares are held by a subsidiary company.

In the opinion of the directors, the value of the company's investment in its subsidiaries is not less than the amounts at which these investments are included in the balance sheet.

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

10. STOCKS

The value of stocks at the end of the period is made up as follows:

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|-------------------|-----------------------------|-----------------------------|
| Raw materials | 4,859 | 4,662 |
| Work in progress | 2,971 | 7,369 |
| Finished products | 12,713 | 8,979 |
| | <u>20,543</u> | <u>21,010</u> |

There is no material difference between the balance sheet valuation of stocks and their replacement cost.

11. DEBTORS (Amounts falling due within one year)

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|---|-----------------------------|-----------------------------|
| Trade debtors | 10,940 | 12,726 |
| Amounts owed by group companies | 740 | 550 |
| Amounts owed by group related companies | 148 | 272 |
| Other debtors | 68 | 118 |
| Prepayments and accrued income | 481 | 523 |
| | <u>12,377</u> | <u>14,189</u> |

12. CREDITORS (Amounts falling due within one year)

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|--|-----------------------------|-----------------------------|
| Trade creditors | 5,421 | 4,907 |
| Amounts owed to group companies | 23,269 | 22,811 |
| Amounts owed to group related companies | 57 | 55 |
| Other creditors, including taxation and social security: | | |
| Corporation tax | 2,462 | 3,480 |
| Social security and PAYE | 334 | 264 |
| Other creditors (including VAT and deferred duty) | 4,909 | 4,687 |
| Accruals and deferred income | 1,855 | 2,773 |
| Proposed dividend | - | 1,670 |
| Obligations under finance leases (note 14) | 163 | 136 |
| | <u>38,470</u> | <u>40,783</u> |

13. CREDITORS (Amounts falling due after more than one year)

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|--|-----------------------------|-----------------------------|
| Obligations under finance leases (note 14) | 162 | 246 |

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

14. OBLIGATIONS UNDER FINANCE LEASES

The minimum lease payments to which the company is committed under finance leases are as follows:

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|---|-----------------------------|-----------------------------|
| Within one year | 191 | 153 |
| Over one year - in years 2 to 5 inclusive | 175 | 278 |
| | <u>366</u> | <u>431</u> |
| Amounts representing future finance charges | (41) | (49) |
| | <u>325</u> | <u>382</u> |
| Due within one year | 163 | 136 |
| Due after more than one year | 162 | 246 |
| | <u>325</u> | <u>382</u> |

15. CALLED UP SHARE CAPITAL

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|---|-----------------------------|-----------------------------|
| Authorised: 10,000,000 ordinary shares of 25p each | 2,500 | 2,500 |
| Allotted, issued and fully paid: 7,082,000 ordinary shares of 25p each | 1,770 | 1,770 |

16. REVALUATION RESERVE

| | <u>£'000</u> | <u>£'000</u> |
|----------------------------------|--------------|--------------|
| Balance at 5th March, 1988 | 2,800 | 3,097 |
| Reserve on property sold in year | (268) | (297) |
| Balance at 4th March, 1989 | <u>2,532</u> | <u>2,800</u> |

17. EMPLOYEES

The average number of persons employed in the financial year was 627 (1988: 673).

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

18. DIRECTORS' EMOLUMENTS

The emoluments of the directors of the company for management services rendered to the company and its subsidiaries were:

| | <u>1989</u> <u>£'000</u> | <u>1988</u> <u>£'000</u> |
|--|-----------------------------|-----------------------------|
| Remuneration for services as directors | 349 | 425 |
| Pension contributions | 73 | 91 |
| | <u>422</u> | <u>516</u> |

Emoluments, excluding contributions paid under pension schemes, were as follows:

| | <u>1989</u> <u>£</u> | <u>1988</u> <u>£</u> |
|--|-------------------------|-------------------------|
| Emoluments of the chairman and highest paid director | <u>57,090</u> | <u>86,794</u> |

The emoluments of the other directors were within the ranges set out below:

| | <u>No</u> | <u>No</u> |
|-------------------|-----------|-----------|
| £nil - £ 5,000 | 9 | 6 |
| £30,001 - £35,000 | - | 2 |
| £35,001 - £40,000 | 1 | - |
| £40,001 - £45,000 | 2 | 5 |
| £55,001 - £60,000 | 3 | 1 |

19. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Commitments for capital expenditure at 4th March, 1989 amounted to £3,065,458 (1988: £994,460). In addition capital expenditure, not contracted for at 4th March, 1989, amounting to £1,433,028 (1988: £589,283) had been authorised by the directors.

There were no contingent liabilities at either the beginning or the end of the year.

VINE PRODUCTS AND WHITEWAYS LIMITED

NOTES TO THE ACCOUNTS

20. ULTIMATE HOLDING COMPANY

At 4th March, 1989 the company's ultimate holding company was Allied-Lyons PLC, a company incorporated in Great Britain.

21. GROUP ACCOUNTS

Under S.229 of the Companies Act, 1985, group accounts are not required as the company is itself a wholly owned subsidiary of another company incorporated in Great Britain.