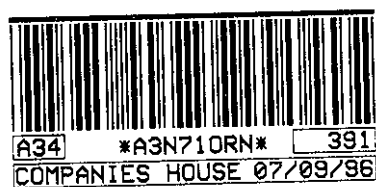


AVERYS OF BRISTOL LIMITED
DIRECTORS' REPORT AND ACCOUNTS
YEAR ENDED 31ST DECEMBER 1995

Company Number: 376920



AVERYS OF BRISTOL LIMITED

Directors: P J Fricke (Chairman)
 F J Avery (Joint managing director)
 R V Meyer (Joint managing director)

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31st December 1995. The comparative period is for the 11 months ended 31st December 1994.

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of wholesale and retail wine merchants.

The directors consider the position to be satisfactory in view of the current economic climate and the move to new premises during the year. They are confident that the company will shortly return to profits.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £21,523 (1994 profit £5,517).

The directors do not recommend the payment of a dividend and therefore the balance on the profit and loss account has been carried forward.

DONATIONS

During the year the company made donations totalling £236 (1994 £505).

FIXED ASSETS

Movements in fixed assets are shown in note 8 to the accounts.

AVERYS OF BRISTOL LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND INTERESTS IN SHARES

The names of the present directors are given at the head of this report.

The number of shares in the company in which the directors had a beneficial interest, as defined by the Companies Act 1985 was as follows:

Mr F J Avery together with the Averys Children Trust owns 150,000 ordinary share of £1 each in the company. None of the other directors own shares in the company.

AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Moores Rowland as auditors to the company for the ensuing year.

By order of the board

5/3/96



Secretary

Registered office:

Orchard House
Southfield Road
Nailsea
Bristol
BS19 1JD

**AUDITORS' REPORT TO THE MEMBERS OF
AVERYS OF BRISTOL LIMITED**

We have audited the accounts on pages 4 to 15.

Respective responsibilities of directors and auditors

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

Basis of opinion

We 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that 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 company's affairs as at 31st December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors

Clifford's Inn
Fetter Lane
LONDON
EC4A 1AS

5th March 1996

AVERYS OF BRISTOL LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31st December 1995

	Note	1995 £	11 months to 31.12 94 £
TURNOVER		4,489,344	4,178,368
Cost of sales		3,248,177	3,051,405
GROSS PROFIT		1,241,167	1,126,963
Distribution costs		820,238	697,478
Administrative expenses		415,976	403,020
OPERATING PROFIT		4,953	26,465
Investment income	2	910	3,836
		5,863	30,301
Interest payable	3	27,386	24,784
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(21,523)	5,517
Tax on (loss)/profit on ordinary activities	7	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(21,523)	5,517
Retained deficit brought forward		(1,120,871)	(1,126,388)
RETAINED DEFICIT CARRIED FORWARD		(1,142,394)	(1,120,871)

Pages 7 to 15 form part of these accounts.

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the profit or loss for the year.

AVERYS OF BRISTOL LIMITED

BALANCE SHEET

As at 31st December 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	8	235,832	135,246
Investments	9	2,004	2,004
		<u>237,836</u>	<u>137,250</u>
CURRENT ASSETS			
Stocks	10	1,067,012	961,449
Debtors	11	711,378	734,025
Cash at bank and in hand		13,898	700
		<u>1,792,288</u>	<u>1,696,174</u>
CREDITORS – amounts falling due within one year	12	1,659,167	1,448,843
NET CURRENT ASSETS		<u>133,121</u>	<u>247,331</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		370,957	384,581
CREDITORS – amounts falling due after more than one year	13	13,351	5,452
TOTAL NET ASSETS		<u><u>357,606</u></u>	<u><u>379,129</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	1,500,000	1,500,000
Profit and loss account		(1,142,394)	(1,120,871)
SHAREHOLDERS FUNDS		<u><u>357,606</u></u>	<u><u>379,129</u></u>

Pages 7 to 15 form part of these accounts.

Approved by the board on 5/3/96



– Director

AVERYS OF BRISTOL LIMITED

CASH FLOW STATEMENT

Year ended 31st December 1995

	Note	1995 £	1994 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	240,416	(145,295)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		910	3,836
Interest paid		(27,386)	(24,784)
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(26,476)	(20,948)
TAXATION			
Corporation tax repaid		(1,139)	-
TAX PAID		(1,139)	-
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(157,300)	(44,835)
Receipts from sale of tangible fixed assets		4,179	7,152
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(153,121)	(37,683)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		59,680	(203,926)
FINANCING			
Receipts from other long and short-term borrowings		28,199	8,700
Capital elements of finance lease rental payments	19	(13,728)	(18,717)
Repayments of amounts borrowed	19	(3,335)	(3,432)
NET CASH INFLOW FROM FINANCING		11,136	(13,449)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17 & 18	70,814	(217,374)

Pages 7 to 15 form part of these accounts

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the amounts receivable from customers for goods sold and services provided, excluding value added tax.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates on a reducing balance basis:

Leasehold property	– over the period of the lease
Fixtures and fittings	– 15%
Computer	– 25%
Motor vehicles	– 25%

Stocks

Stocks are valued at the lower of cost, including appropriate overhead expenses, and net realisable value.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. Differences arising are dealt with in the profit and loss account.

Lease and hire purchase contracts

Assets being acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their anticipated useful lives. The obligation to make future rental payments, net of future finance charges, is recognised as a liability in the balance sheet. The interest element of the lease and hire purchase payments is charged to the profit and loss account at a constant rate over the period of the agreement.

Rentals under operating leases are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is calculated using the liability method and provision is made to the extent that it is probable that such tax will become payable in the foreseeable future.

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS(continued)

Pension contributions

The company operates a defined contribution scheme in respect of 3 of its employees. Contributions are charged to the profit and loss account in the period in which they are paid. There were no outstanding or proposed contributions as at the balance sheet date. Pension costs charged in the year were £18,222 (1994 £15,824)

Reservation of Title

Where trading has been carried out on the terms that legal ownership in the goods shall not pass until payment, the accounts have been drawn up on the basis that such ownership will be established in the normal course of trading.

2. ADMINISTRATIVE EXPENSES

Included in administrative expenses is £32,472 relating to the removal of the offices and warehouse of the company.

3. INVESTMENT INCOME

	1995 £	1994 £
Other interest receivable	910	3,836
	<u>910</u>	<u>3,836</u>

4. INTEREST PAYABLE

	1995 £	1994 £
On bank overdrafts wholly repayable within five years	24,712	13,393
Interest payable to group undertakings	—	8,779
On finance leases and hire purchase contracts	2,674	2,612
	<u>27,386</u>	<u>24,784</u>

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS(continued)

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):

	1995 £	1994 £
Auditors' remuneration	8,500	8,364
Depreciation of fixed assets	49,159	30,335
(Profit)/loss on disposal of fixed assets	3,378	2,706
Hire of plant and equipment	2,217	2,135
	<u>53,254</u>	<u>43,540</u>

6. DIRECTORS AND OTHER EMPLOYEES

Staff costs include the following:

	1995 £	1994 £
Wages and salaries	519,108	470,099
Social security costs	47,874	42,140
Other pension costs	21,636	18,207
	<u>588,618</u>	<u>530,446</u>

The average weekly number of persons employed by the company during the year was as follows:

	Number	Number
Warehouse and distribution	9	10
Selling and marketing	15	12
Administration	13	14
	<u>37</u>	<u>36</u>

The emoluments of the directors were as follows:

For services as executives	85,838	121,762
Pensions	18,222	15,824
	<u>104,060</u>	<u>137,586</u>

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS(continued)

The individual emoluments, excluding pension contributions, of all the directors who served during the year fell into the following brackets:

	Number	Number
Nil - £ 5,000	1	5
£20,001 - £25,000	-	1
£30,001 - £35,000	-	1
£40,001 - £45,000	1	1
£45,001 - £50,000	1	-
	<u>1</u>	<u>8</u>

The emoluments, excluding pension contributions, of the chairman amounted to £NIL (1994 £NIL) and those of the highest paid director amounted to £45,233 (1994 £40,579).

7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

No liability to UK corporation tax arises on the results for the year. The company has tax losses of approximately £1,832,000 (1994 £1,830,000) available for offset against future taxable profits.

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS(continued)

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost:					
At 1st January 1995	-	130,709	174,979	135,811	441,499
Additions	11,423	55,349	28,858	61,670	157,300
Disposals	-	(559)	(7,843)	(24,657)	(33,059)
	<u>11,423</u>	<u>185,499</u>	<u>195,994</u>	<u>172,824</u>	<u>565,740</u>
At 31st December 1995					
Depreciation:					
At 1st January 1995	-	107,464	125,807	72,980	306,251
Charge for year	659	8,934	17,338	22,228	49,159
Disposals	-	(259)	(6,319)	(18,924)	(25,502)
	<u>659</u>	<u>116,139</u>	<u>136,826</u>	<u>76,284</u>	<u>329,908</u>
At 31st December 1995					
Net book value at 31st December 1995	<u>10,764</u>	<u>69,360</u>	<u>59,168</u>	<u>96,540</u>	<u>235,832</u>
Net book value at 31st December 1994	<u>-</u>	<u>49,170</u>	<u>23,245</u>	<u>62,831</u>	<u>135,246</u>

The net book value includes £31,471 (1994 £30,269) in respect of assets being acquired under finance leases and hire purchase contracts. The amount of depreciation allocated for the year in respect of these assets is £7,429 (1994 £9,309).

9. FIXED ASSET INVESTMENTS

	1995 £	1994 £
Merchant Vintners Buying Group	2,000	2,000
Cabot Cellars Limited	2	2
New World Vintners Limited	2	2
	<u>2,004</u>	<u>2,004</u>

The investment in Merchant Vintners Buying Group represents a 4.76% holding of fully paid ordinary shares. The company owns 100% of the issued share capital of Cabot Cellars Limited and New World Vintners Limited, both incorporated in the England, neither of which traded during the year. The net assets of both companies is £2.

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS(continued)

10. STOCKS

	1995 £	1994 £
Goods in bond	584,605	547,086
Duty paid goods	280,692	322,766
Goods held abroad	34,943	9,876
Other goods and consumables	166,772	81,721
	<u>1,067,012</u>	<u>961,449</u>

The directors consider that the replacement value of wines held for resale is not less than cost.

Consignment stock held at the balance sheet date amounted to £76,786 (1994 £267,860)

11. DEBTORS

	1995 £	1994 £
Trade debtors	659,054	649,826
Other debtors	21,039	35,397
Prepayments and accrued income	31,285	48,802
	<u>711,378</u>	<u>734,025</u>

12. CREDITORS – amounts falling due within one year

	1995 £	1994 £
Bank loans and overdrafts	277,217	337,028
Trade creditors	602,557	644,349
Amounts owed to group undertakings	460,399	287,599
Obligations under finance leases and hire purchase contracts	12,077	6,645
Taxation and social security	197,810	91,525
Other creditors	4,486	3,369
Accruals and deferred income	104,621	78,328
	<u>1,659,167</u>	<u>1,448,843</u>

The bank loan and overdraft is secured by a fixed and floating charge over the assets of the company. The bank has given a guarantee to Customs and Excise amounting to £200,000 with recourse to the company.

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS(continued)

13. CREDITORS – amounts falling due after more than one year

	1995 £	1994 £
Bank loans	–	1,140
Obligations under finance leases and hire purchase contracts	13,351	4,312
	<u>13,351</u>	<u>5,452</u>
Falling due after more than one year: – repayable within five years	13,351	5,452
	<u>13,351</u>	<u>5,452</u>

14. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised: 1,500,000 ordinary shares of £1 each	1,500,000	1,500,000
Allotted and fully paid: 1,500,000 ordinary shares of £1 each	1,500,000	1,500,000

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
(Loss)/(profit) for the financial year	(21,523)	5,517
Opening shareholders' funds	379,129	373,612
Closing shareholders' funds	<u>357,606</u>	<u>379,129</u>

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS(continued)

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	4,953	26,465
Depreciation charges	49,159	30,335
Profit/(loss) on sale of tangible fixed assets	3,378	2,706
(Increase) in stocks	(105,563)	(190,481)
Decrease in debtors	23,786	53,779
Increase/(decrease) in creditors	264,703	(68,099)
Net cash inflow from operating activities	<u>240,416</u>	<u>(145,295)</u>

17. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995 £	1994 £
Balance at 1st January 1995	(332,993)	(115,619)
Net cash inflow/(outflow)	<u>70,814</u>	<u>(217,374)</u>
Balance at 31st December 1995	<u>(262,179)</u>	<u>(332,993)</u>

18. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	Change in year £	1995 £	1994 £
Cash at bank and in hand	13,198	13,898	700
Bank overdrafts	<u>57,616</u>	<u>(276,077)</u>	<u>(333,693)</u>
	<u>70,814</u>	<u>(262,179)</u>	<u>(332,993)</u>

19. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital £	Loan and hire Purchase £
Balance at 1st January 1995	1,500,000	15,432
Cash inflow from financing	<u>—</u>	<u>11,136</u>
Balance at 31st December 1995	<u>1,500,000</u>	<u>26,568</u>

AVERYS OF BRISTOL LIMITED

NOTES TO THE ACCOUNTS(continued)

20. FINANCIAL COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings		Other	
	1995	1994	1995	1994
	£	£	£	£
Expiry date:				
Between one and five years	-	-	5,199	-
After five years	28,750	14,750	-	-
	<u>28,750</u>	<u>14,750</u>	<u>5,199</u>	<u>-</u>

The company has in the ordinary course of business entered into forward exchange contracts during the year in order to discharge its liabilities denominated in foreign currencies as and when they fall due. At 31st December 1995 the company had committed to purchase foreign currencies to the value of £NIL (1994 £242,251).

21. CONTINGENT LIABILITIES

The company has entered into a limited cross guarantee to secure the overdrafts of its parent company. The total liability arising from this guarantee amounted to £92,015 at the balance sheet date.

22. TRANSACTIONS WITH DIRECTORS

During the year the company has traded in the ordinary course of business with Mr F J Avery. Sales amount to £8,066 (1994 £5,868).

23. ULTIMATE PARENT UNDERTAKING

The directors regard WIV Wein International GmbH, registered in Germany, as the company's ultimate parent undertaking.