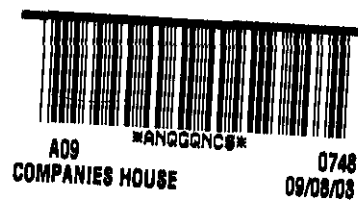


REGISTERED NUMBER: 911202 (England and Wales)

Abbreviated Financial Statements for the year ended 31st March 2003

for

The Merchant Vintners Company Limited



The Merchant Vintners Company Limited

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for the year ended 31st March 2003

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The Merchant Vintners Company Limited

Company Information
for the year ended 31st March 2003

DIRECTORS:	J.L.R. Frazier I.G.M. Urquhart A.W. Trease G.H. Dickinson J.J. Eustace J.J. Tanner J.C. Townend
SECRETARY:	R C Balls
REGISTERED OFFICE:	Bacchus House 313 Cambridge Heath Road London E2 9LQ
REGISTERED NUMBER:	911202 (England and Wales)
AUDITORS:	Sadofskys Chartered Accountants Registered Auditors Princes House Wright Street Hull HU2 8HX
BANKERS:	HSBC PO Box 72 55 Whitefriargate Hull HU1 2HX
SOLICITORS:	Andrew M. Jackson & Co PO Box 47 Essex House Manor Street Hull HU1 1XH

The Merchant Vintners Company Limited

Report of the Directors
for the year ended 31st March 2003

The directors present their report with the financial statements of the company for the year ended 31st March 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the importation and bulk buying of wines and spirits. The turnover of the company arises wholly from sales to its members. The company has 19 members at the year end. The directors of the company are also directors of some of the member companies to whom sales are made. The interests of the directors in the shares of the company are disclosed below.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2003.

DIRECTORS

The directors during the year under review were:

J.L.R. Frazier
I.G.M. Urquhart
A.W. Trease
G.H. Dickinson
J.J. Eustace
J.J. Tanner
J.C. Townend

The beneficial interests of the directors holding office on 31st March 2003 in the issued share capital of the company were as follows:

	31/3/03	1/4/02
Ordinary £1 shares		
J.L.R. Frazier	2,000	2,000
I.G.M. Urquhart	2,000	2,000
A.W. Trease	2,000	2,000
G.H. Dickinson	2,000	2,000
J.J. Eustace	-	-
J.J. Tanner	2,000	2,000
J.C. Townend	2,000	2,000

In accordance with the Articles of Association, J.L.R. Frazier, A.W. Trease and J.C. Townend will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

PURCHASE OF OWN SHARES

During the year the company purchased the shares of the following members:

- i) Jolly's Drinks Limited - 2,000 ordinary shares of £1 each for a consideration of £1,000.
- ii) Avery's of Bristol Limited - 2,000 ordinary shares of £1 each for a consideration of £2,000.

The above shares were purchased due to these members leaving the company.

The Merchant Vintners Company Limited

Report of the Directors
for the year ended 31st March 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the financial statements comply with the 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.

AUDITORS

The auditors, Sadofskys Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



R C Balls - SECRETARY

Dated: 5 AUGUST 2003

The Merchant Vintners Company Limited

Report of the Independent Auditors to
The Merchant Vintners Company Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to fifteen, together with the full financial statements of the company for the year ended 31st March 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

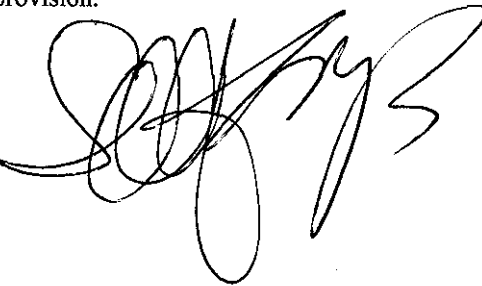
Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to fifteen are properly prepared in accordance with that provision.

Sadofskys Chartered Accountants
Registered Auditors
Princes House
Wright Street
Hull
HU2 8HX



Dated: 6th August 2003

The Merchant Vintners Company Limited

Abbreviated Profit and Loss Account
for the year ended 31st March 2003

		31/3/03	31/3/02
	Notes	£	£
GROSS PROFIT		154,141	157,239
Administrative expenses		92,901	91,594
OPERATING PROFIT	3	61,240	65,645
Interest receivable and similar income		159	602
		61,399	66,247
Interest payable and similar charges	4	34,208	42,321
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,191	23,926
Tax on profit on ordinary activities	5	3,987	4,767
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		23,204	19,159
Retained profit brought forward		256,107	236,948
RETAINED PROFIT CARRIED FORWARD		<u>£279,311</u>	<u>£256,107</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

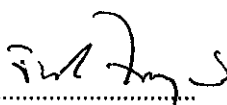
The Merchant Vintners Company Limited


Abbreviated Balance Sheet
31st March 2003

		31/3/03		31/3/02	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		5,925		899
Investments	7		102		102
			<u>6,027</u>		<u>1,001</u>
CURRENT ASSETS:					
Stocks	8	1,227,705		1,111,519	
Debtors	9	426,894		486,230	
Cash at bank and in hand		30		2,079	
		<u>1,654,629</u>		<u>1,599,828</u>	
CREDITORS: Amounts falling due within one year	10	<u>1,019,687</u>		<u>972,297</u>	
NET CURRENT ASSETS:			<u>634,942</u>		<u>627,531</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			640,969		628,532
CREDITORS: Amounts falling due after more than one year	11		(310,000)		(320,425)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(658)		-
			<u>£330,311</u>		<u>£308,107</u>
CAPITAL AND RESERVES:					
Called up share capital	15		40,000		42,000
Capital redemption reserve fund	16		11,000		10,000
Profit and loss account			279,311		256,107
SHAREHOLDERS' FUNDS:	19		<u>£330,311</u>		<u>£308,107</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


.....
J.L.R. Frazier - DIRECTOR


.....
A.W. Trease - DIRECTOR

Approved by the Board on 5 AUGUST 2003

The notes form part of these financial statements

The Merchant Vintners Company Limited

Cash Flow Statement
for the year ended 31st March 2003

		<u>31/3/03</u>	<u>31/3/02</u>
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	100,266	(147,516)
Returns on investments and servicing of finance	2	(34,049)	(41,719)
Taxation		(4,767)	(4,346)
Capital expenditure	2	(6,490)	-
		<u>54,960</u>	<u>(193,581)</u>
Management of liquid resources	2	(11,425)	(2,000)
Increase/(Decrease) in cash in the period		<u><u>£43,535</u></u>	<u><u>£(195,581)</u></u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		<u>43,535</u>	<u>(195,581)</u>
Change in net debt resulting from cash flows		<u>43,535</u>	<u>(195,581)</u>
Movement in net debt in the period		<u>43,535</u>	<u>(195,581)</u>
Net debt at 1st April		<u>(378,898)</u>	<u>(183,317)</u>
Net debt at 31st March		<u><u>£(335,363)</u></u>	<u><u>£(378,898)</u></u>

The notes form part of these financial statements

The Merchant Vintners Company Limited

Notes to the Cash Flow Statement
for the year ended 31st March 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31/3/03 £	31/3/02 £
Operating profit	61,240	65,645
Depreciation charges	1,464	485
Increase in stocks	(116,186)	(56,416)
Decrease/(Increase) in debtors	59,336	(36,748)
Increase/(Decrease) in creditors	94,412	(120,482)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	100,266	(147,516)
	<hr/>	<hr/>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31/3/03 £	31/3/02 £
Returns on investments and servicing of finance		
Interest received	159	602
Interest paid	(34,208)	(42,321)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(34,049)	(41,719)
	<hr/>	<hr/>
Capital expenditure		
Purchase of tangible fixed assets	(6,490)	-
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(6,490)	-
	<hr/>	<hr/>
Management of liquid resources		
Expenditure on repurchase of shares	(3,000)	(2,000)
Repayment of borrowings	(10,425)	-
Issue of shares	2,000	-
	<hr/>	<hr/>
Net cash outflow from management of liquid resources	(11,425)	(2,000)
	<hr/>	<hr/>

The notes form part of these financial statements

The Merchant Vintners Company Limited

Notes to the Cash Flow Statement
for the year ended 31st March 2003

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/02 £	Cash flow £	At 31/3/03 £
Net cash:			
Cash at bank and in hand	2,079	(2,049)	30
Bank overdrafts	(380,977)	45,584	(335,393)
	<u>(378,898)</u>	<u>43,535</u>	<u>(335,363)</u>
 Total	 <u>(378,898)</u>	 <u>43,535</u>	 <u>(335,363)</u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 2,079		 30
Bank overdrafts	(380,977)		(335,393)
	<u>(378,898)</u>		<u>(335,363)</u>

The notes form part of these financial statements

The Merchant Vintners Company Limited

Notes to the Abbreviated Financial Statements
for the year ended 31st March 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - 20% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31/3/03	31/3/02
	£	£
Wages and salaries	43,969	41,244
Social security costs	3,421	3,291
Other pension costs	2,449	2,374
	<u>49,839</u>	<u>46,909</u>

The average monthly number of employees during the year was as follows:

	31/3/03	31/3/02
Office and management	<u>3</u>	<u>3</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31/3/03	31/3/02
	£	£
Depreciation - owned assets	1,464	485
Auditors' remuneration	<u>3,000</u>	<u>3,000</u>
Directors' emoluments	<u>-</u>	<u>-</u>

The Merchant Vintners Company Limited

Notes to the Abbreviated Financial Statements
for the year ended 31st March 2003

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31/3/03	31/3/02
	£	£
Bank interest	15,319	22,664
Loan stock interest	15,300	15,300
Interest on unsecured shareholder advances	3,589	4,357
	<u>34,208</u>	<u>42,321</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31/3/03	31/3/02
	£	£
Current tax:		
UK corporation tax	3,329	4,767
Deferred tax:		
Deferred taxation	658	-
Tax on profit on ordinary activities	<u>3,987</u>	<u>4,767</u>

UK corporation tax has been charged at 13.86% (2002 - 17.82%).

6. TANGIBLE FIXED ASSETS

	Office equipment
	£
COST:	
At 1st April 2002	17,264
Additions	6,490
At 31st March 2003	<u>23,754</u>
DEPRECIATION:	
At 1st April 2002	16,365
Charge for year	1,464
At 31st March 2003	<u>17,829</u>
NET BOOK VALUE:	
At 31st March 2003	<u>5,925</u>
At 31st March 2002	<u>899</u>

The Merchant Vintners Company Limited

Notes to the Abbreviated Financial Statements
for the year ended 31st March 2003

7. FIXED ASSET INVESTMENTS

	£		
COST:			
At 1st April 2002			
and 31st March 2003			102
			<u> </u>
NET BOOK VALUE:			
At 31st March 2003			102
			<u> </u>
At 31st March 2002			102
			<u> </u>
	31/3/03	31/3/02	
	£	£	
Unlisted investments	102	102	
	<u> </u>	<u> </u>	

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Baronoff Vodka Company Limited

Country of incorporation: England and Wales

Nature of business: Dormant

	%
Class of shares:	holding
100 Ordinary shares of £1 each	100.00

MV Kruger and Company Limited

Country of incorporation: England and Wales

Nature of business: Dormant

	%
Class of shares:	holding
2 Ordinary shares of £1 each	100.00

8. STOCKS

	31/3/03	31/3/02
	£	£
Stock	1,227,705	1,111,519
	<u> </u>	<u> </u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/03	31/3/02
	£	£
Trade debtors	410,318	454,315
Other debtors	13,505	1,295
Prepayments	3,071	30,620
	<u> </u>	<u> </u>
	426,894	486,230
	<u> </u>	<u> </u>

The Merchant Vintners Company Limited

Notes to the Abbreviated Financial Statements
for the year ended 31st March 2003

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31/3/03 £	31/3/02 £
Bank loans and overdrafts (see note 12)	335,393	380,977
Trade creditors	522,733	419,995
Other creditors	77,008	78,967
Social security & other taxes	942	931
Taxation	3,329	4,767
Accrued expenses	80,282	86,660
	<u>1,019,687</u>	<u>972,297</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31/3/03 £	31/3/02 £
Shareholders' unsecured loans (see note 12)	55,000	65,425
6% Convertible loan stock (see note 12)	255,000	255,000
	<u>310,000</u>	<u>320,425</u>

On 30 September 2025 the loan stock is redeemable for cash at par or, at the bond holders' discretion, convertible into fully paid £1 ordinary shares on the basis of one ordinary share for each £1 of loan stock.

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31/3/03 £	31/3/02 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>335,393</u>	<u>380,977</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Shareholders' unsecured loans	55,000	65,425
6% Convertible loan stock	255,000	255,000
	<u>310,000</u>	<u>320,425</u>

The Merchant Vintners Company Limited

Notes to the Abbreviated Financial Statements
for the year ended 31st March 2003

13. SECURED DEBTS

The following secured debts are included within creditors:

	31/3/03	31/3/02
	£	£
Bank overdrafts	335,393	380,977
	<u> </u>	<u> </u>

The bank overdraft is secured by a mortgage and general charge over the assets of the company.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	31/3/03	31/3/02
	£	£
Deferred taxation	658	-
	<u> </u>	<u> </u>
	Deferred tax	
	£	
Provided in year	658	
	<u> </u>	
Balance at 31st March 2003	658	
	<u> </u>	

15. CALLED UP SHARE CAPITAL

Authorised:					
Number:	Class:	Nominal value:	31/3/03	31/3/02	
			£	£	
50,000	Ordinary	£1	50,000	50,000	
			<u> </u>	<u> </u>	
Allotted, issued and fully paid:					
Number:	Class:	Nominal value:	31/3/03	31/3/02	
			£	£	
40,000	Ordinary	£1	40,000	42,000	
(31/3/02 - 42,000)			<u> </u>	<u> </u>	

The following shares were allotted and fully paid for cash at par during the year:

2,000 Ordinary shares of £1 each

During the year, as disclosed in the Directors' report, the company also repurchased 4,000 ordinary shares of £1 each from members leaving the company.

16. CAPITAL REDEMPTION RESERVE FUND

	31/3/03	31/3/02
	£	£
Capital redemption reserve fund	11,000	10,000
	<u> </u>	<u> </u>

17. OTHER FINANCIAL COMMITMENTS

At 31 March 2003 the company had outstanding forward foreign exchange contracts amounting to £385,197 (2002 - £300,067).

The Merchant Vintners Company Limited

Notes to the Abbreviated Financial Statements
for the year ended 31st March 2003

18. TRANSACTIONS WITH DIRECTORS

The turnover of the company arises wholly from sales to its members. The directors of the company are also the directors of some of the member companies to whom sales are made. The sales are made on normal commercial terms.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31/3/03	31/3/02
	£	£
Profit for the financial year	23,204	19,159
Repurchase of shares	(3,000)	(2,000)
Issue of shares	2,000	-
	<hr/>	<hr/>
Net addition to shareholders' funds	22,204	17,159
Opening shareholders' funds	308,107	290,948
	<hr/>	<hr/>
Closing shareholders' funds	330,311	308,107
	<hr/>	<hr/>
Equity interests	330,311	308,107
	<hr/>	<hr/>

20. EXEMPTION FROM PREPARING GROUP ACCOUNTS

These accounts present information about the company as an individual undertaking and not about the group. The company has not prepared group accounts because it is entitled to claim the medium sized group exemption.

21. CONTROL

During this and the previous year each shareholder owned a minority interest in the company, therefore no one individual exercised control.