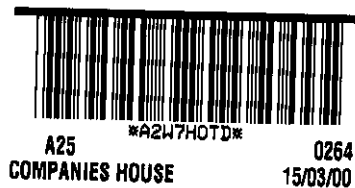


COMPANY NUMBER 1032622

FOUNTAIN INDUSTRIES (U.K.) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1999



ENSORS

Chartered Accountants & Registered Auditors
46 St Nicholas Street
IPSWICH
IP1 1TT

FOUNTAIN INDUSTRIES (U.K.) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

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FOUNTAIN INDUSTRIES (U.K.) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr G E Smith
Mr D Rolland

Company secretary

Ms R L Fulcher

Auditors

Ensors
Chartered Accountants
& Registered Auditors
46 St Nicholas Street
IPSWICH
IP1 1TT

Bankers

National Westminster
Tavern Street
Ipswich
IP1 3BD

Solicitors

Birketts
20 -32 Museum Street
Ipswich
IP1 1HZ

FOUNTAIN INDUSTRIES (U.K.) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the sale of drink dispensing equipment, together with associated products.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 1999	At 1 January 1999 or later date of appointment
Mr G E Smith	-	-
Mr D Rolland	-	-
	<hr/>	<hr/>

Mr D Rolland was appointed as a director on 4 January 1999.

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 as at the end of the financial year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 7, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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

A resolution to appoint Ensors as auditors will be put to the members at the annual general meeting .

FOUNTAIN INDUSTRIES (U.K.) LIMITED

DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 1999

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the board



MS R L FULCHER
Company Secretary

29 February 2000

FOUNTAIN INDUSTRIES (U.K.) LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 1999

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

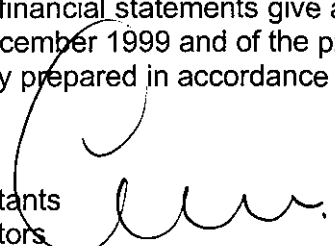
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

ENSORS
Chartered Accountants
& Registered Auditors



IPSWICH

...9 March 2000

FOUNTAIN INDUSTRIES (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	1999 £	1998 £
TURNOVER:		756,990	810,281
Cost of sales		(513,287)	(564,299)
GROSS PROFIT		243,703	245,982
Distribution Costs		(100,070)	(98,013)
Administrative expenses		(88,946)	(97,858)
OPERATING PROFIT	2	54,687	50,111
Loss on disposal of investments		(653)	-
		54,034	50,111
Interest receivable		1,246	308
Interest payable	3	(2,028)	(2,052)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		53,252	48,367
Tax on profit on ordinary activities		(10,119)	(16,019)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		43,133	32,348
Equity dividends paid		-	(20,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		43,133	12,348
Balance brought forward		242,061	229,713
Balance carried forward		285,194	242,061

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

FOUNTAIN INDUSTRIES (U.K.) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1999

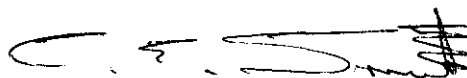
	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	4	<u>54,700</u>	<u>64,432</u>
CURRENT ASSETS			
Stocks		120,604	116,071
Debtors	5	144,023	137,790
Cash at bank		<u>56,066</u>	<u>42,520</u>
		320,693	296,381
CREDITORS: Amounts falling due within one year	6	<u>(76,605)</u>	<u>(93,551)</u>
NET CURRENT ASSETS		244,088	202,830
TOTAL ASSETS LESS CURRENT LIABILITIES		298,788	267,262
CREDITORS: Amounts falling due after more than one year	7	<u>(13,542)</u>	<u>(25,149)</u>
		<u>285,246</u>	<u>242,113</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	52	52
Profit and loss account		<u>285,194</u>	<u>242,061</u>
SHAREHOLDERS' FUNDS	11	<u>285,246</u>	<u>242,113</u>

Shareholders' funds are fully attributable to equity interests

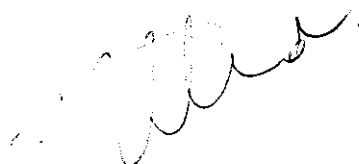
These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By order of the board29 February 2000

MR G E SMITH
Director



Mr D ROLLAND
Director



The notes on pages 7 to 10 form part of these financial statements.

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents amounts invoiced, in respect of the sale of goods (and services) to customers. In the directors opinion turnover attributable to geographic markets outside the United Kingdom amounted to 10% (1998: 15%).

Depreciation

Depreciation is calculated to write off the cost, less estimated residual value of fixed assets, over their estimated useful lives as follows:

Delivery vehicle	-	25% on cost
Plant & Machinery	-	20% on cost
Fixtures & Fittings	-	20% on cost
Motor Vehicles	-	20% on cost
Computer Equipment	-	20% on cost

Stocks

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

Finance lease agreements

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter of the lease term and the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

2. OPERATING PROFIT

Operating profit is stated after charging:

	1999 £	1998 £
Directors' Emoluments	38,160	37,376
Depreciation	26,088	33,512
Auditors' fees	2,500	3,800
Net loss on foreign currency translation	(11,854)	6,808
Operating lease rentals		
- Plant and machinery	1,522	1,080
- Other	<u>25,539</u>	<u>24,746</u>

3. INTEREST PAYABLE

	1999 £	1998 £
Finance charges	<u>2,028</u>	<u>2,052</u>

4. TANGIBLE FIXED ASSETS

	Delivery Vehicles £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 January 1999	48,714	99,944	43,994	17,919	210,571
Additions	-	15,318	1,038	-	16,356
At 31 December 1999	<u>48,714</u>	<u>115,262</u>	<u>45,032</u>	<u>17,919</u>	<u>226,927</u>
DEPRECIATION					
At 1 January 1999	14,819	74,375	40,753	16,192	146,139
Charge for the year	14,613	8,125	1,623	1,727	26,088
At 31 December 1999	<u>29,432</u>	<u>82,500</u>	<u>42,376</u>	<u>17,919</u>	<u>172,227</u>
NET BOOK VALUE					
At 31 December 1999	<u>19,282</u>	<u>32,762</u>	<u>2,656</u>	-	<u>54,700</u>
At 31 December 1998	<u>33,895</u>	<u>25,569</u>	<u>3,241</u>	<u>1,727</u>	<u>64,432</u>

Finance lease agreements

Included within the net book value of £54,700 is £19,282 (1998 - £33,895) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £14,613 (1998 - £9,744).

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

5. DEBTORS

	1999	1998
	£	£
Trade debtors	124,498	117,686
Amounts owed by group undertakings	6,035	5,159
Other debtors	13,490	14,945
	<u>144,023</u>	<u>137,790</u>

6. CREDITORS: Amounts falling due within one year

	1999	1998
	£	£
Trade creditors	5,051	23,036
Amounts owed to group undertakings	37,824	34,390
Corporation tax	10,950	13,094
Other taxation and social security	3,753	3,153
Other creditors	19,027	19,878
	<u>76,605</u>	<u>93,551</u>

7. CREDITORS: Amounts falling due after more than one year

	1999	1998
	£	£
Other creditors	<u>13,542</u>	<u>25,149</u>

8. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	1999	1998
	£	£
Amounts payable within 1 year	11,607	11,607
Amounts payable between 1 and 2 years	11,607	11,607
Amounts payable between 3 and 5 years	1,935	13,542
	<u>25,149</u>	<u>36,756</u>

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

9. RELATED PARTY TRANSACTIONS

The immediate controlling company is Fountain Netherlands Holdings BV, a company incorporated in Holland.

The ultimate controlling company is Fountain Industries Europe SA, a company incorporated in Belgium.

The company is more than 90% controlled by the group and therefore advantage has been taken of the exemption not to disclose group related party transactions in the financial statements.

All related party transactions between the company and other group members have been eliminated in the consolidated financial statements of Fountain Industries Europe SA.

10. SHARE CAPITAL

Authorised share capital:

	1999	1998
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	1999	1998
	£	£
Ordinary share capital	<u>52</u>	<u>52</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Ordinary share capital	Profit & Loss Account	Reserves	Total
	£	£	£	£
Balance at 1 January 1998	52	229,713	-	229,765
Profit for the financial year		32,348		32,348
Dividends		(20,000)		(20,000)
Balance at 31 December 1998	<u>52</u>	<u>242,061</u>	<u>-</u>	<u>242,113</u>
Profit for the financial year		43,133		43,133
Balance at 31 December 1999	<u>52</u>	<u>285,194</u>	<u>-</u>	<u>285,246</u>

FOUNTAIN INDUSTRIES (U.K.) LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 1999

**The following pages do not form part of the statutory financial statements
which are the subject of the auditors' report on page 4.**

FOUNTAIN INDUSTRIES (U.K.) LIMITED**DETAILED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1999**

	1999	1998
	£	£
TURNOVER:	756,990	810,281
COST OF SALES		
Purchases	429,883	475,984
Direct labour and N.I.C.	23,132	22,586
Storage labour and N.I.C.	7,171	7,052
Sales labour and N.I.C.	14,295	10,562
Heat light and power	468	1,175
Overalls and cleaning	819	1,424
Plant and factory maintenance	3,369	4,859
Insurance	486	523
Rent	25,539	24,746
Plant depreciation	8,125	15,388
	<u>513,287</u>	<u>564,299</u>
GROSS PROFIT	243,703	245,982
OVERHEADS		
Distribution Costs	100,070	98,013
Administrative expenses	88,946	97,858
	<u>189,016</u>	<u>195,871</u>
OPERATING PROFIT	54,687	50,111
Loss on disposal of investments	653	-
	<u>54,034</u>	<u>50,111</u>
Bank interest receivable	1,246	308
	<u>55,280</u>	<u>50,419</u>
HP/Finance lease charges	2,028	2,052
PROFIT ON ORDINARY ACTIVITIES	<u>53,252</u>	<u>48,367</u>

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1999

	1999	1998
	£	£
ADMINISTRATIVE EXPENSES <i>(continued)</i>		
DISTRIBUTION COSTS		
Driver wages and N.I.C.	17,505	19,144
Royalties	29,083	30,103
Discounts allowed	8,161	4,618
Dealers training	8,295	3,753
Regional meetings	-	314
Freight and carriage	1,641	(600)
Vehicle running	29,522	22,380
Travel and motor	595	151
Car Depreciation	-	4,173
Advertising	5,268	13,977
	<u>100,070</u>	<u>98,013</u>
ADMINISTRATIVE EXPENSES		
Personnel costs		
Wages salaries and N.I.C.	36,670	44,815
Establishment expenses		
Rates	4,938	4,786
Light and heat	842	1,374
Insurance	486	718
Plant and factory maintenance	1,283	609
	<u>7,549</u>	<u>7,487</u>
General expenses		
Travel and motor expenses	7,164	6,051
Telecommunications	2,900	2,884
Computer costs	507	522
Office Equipment Maintenance	266	-
Postage	949	1,017
Printing and stationery	1,858	1,887
General expenses	1,754	1,412
Management charges payable	5,129	5,747
Legal and professional fees	20,913	830
Accountancy fees	5,088	4,944
Auditors remuneration	3,200	4,350
Depreciation of fixtures and fittings	1,623	4,207
	<u>51,351</u>	<u>33,851</u>
Financial costs		
Provision for doubtful debts	(9,969)	9,039
Leasing charges	1,522	1,080
Bank charges	1,692	1,586
Foreign currency gains/losses	131	-
	<u>(6,624)</u>	<u>11,705</u>
	<u>88,946</u>	<u>97,858</u>