

COMPANY REGISTRATION NUMBER 1032622

FOUNTAIN INDUSTRIES (U.K.) LIMITED
FINANCIAL STATEMENTS

31 DECEMBER 2003



ENSORS

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

FOUNTAIN INDUSTRIES (U.K.) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr E Malrain
Mr P Van Camphenhout

Company secretary

Ms R Fulcher

Registered office

Reydon Business Park
Fountain Way
Reydon
Southwold
Suffolk
IP18 6DH

Auditors

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

Bankers

National Westminster Bank Plc
2 Tavern Street
Ipswich
IP1 3BD

FOUNTAIN INDUSTRIES (U.K.) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

Mr E Malrain
Mr G E Smith
Mr P Van Campenhout

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Mr E Malrain was appointed as a director on 1 February 2003.

Mr P Van Campenhout was appointed as a director on 1 February 2003.

Mr G E Smith resigned as a director on 31 January 2003.

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 at the end of the 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 8, 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 financial statements; 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.

FOUNTAIN INDUSTRIES (U.K.) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2003

AUDITORS

A resolution to re-appoint Ensors as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



MS R FULCHER
Company Secretary

Approved by the directors on 18/2/04

FOUNTAIN INDUSTRIES (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31 DECEMBER 2003

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the company's shareholder, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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.

FOUNTAIN INDUSTRIES (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER *(continued)*

YEAR ENDED 31 DECEMBER 2003

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 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

46 St Nicholas Street
IPSWICH
IP1 1TT

Encl

ENSORS
Chartered Accountants
& Registered Auditors

19 February 2004

FOUNTAIN INDUSTRIES (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
TURNOVER	2	461,445	574,314
Cost of sales		<u>384,551</u>	<u>437,836</u>
GROSS PROFIT		76,894	136,478
Distribution Costs		64,407	65,867
Administrative expenses		103,028	109,341
Other operating income	3	<u>(7,058)</u>	—
OPERATING LOSS	4	(83,483)	(38,730)
Interest receivable		948	498
Interest payable	7	<u>(1,222)</u>	<u>(338)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(83,757)	(38,570)
Tax on loss on ordinary activities		—	—
LOSS FOR THE FINANCIAL YEAR		(83,757)	(38,570)
Balance brought forward		<u>309,806</u>	<u>348,376</u>
Balance carried forward		<u>226,049</u>	<u>309,806</u>

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

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

The notes on pages 8 to 13 form part of these financial statements.

FOUNTAIN INDUSTRIES (U.K.) LIMITED

BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	8	<u>7,456</u>	<u>11,923</u>
CURRENT ASSETS			
Stocks	9	92,806	77,991
Debtors	10	122,316	114,275
Cash at bank		<u>57,436</u>	<u>149,166</u>
		272,558	341,432
CREDITORS: Amounts falling due within one year	11	<u>30,092</u>	<u>43,497</u>
NET CURRENT ASSETS		<u>242,466</u>	<u>297,935</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>249,922</u>	<u>309,858</u>
CREDITORS: Amounts falling due after more than one year	12	<u>23,821</u>	<u>—</u>
		<u>226,101</u>	<u>309,858</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	52	52
Profit and loss account		<u>226,049</u>	<u>309,806</u>
SHAREHOLDER'S FUNDS	16	<u>226,101</u>	<u>309,858</u>

These financial statements were approved by the directors on the 18/2/04 and are signed on their behalf by:


MR E MALRAIN
Director

The notes on pages 8 to 13 form part of these financial statements.

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

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

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 wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Delivery vehicles	-	25% on cost
Plant & Machinery	-	20% on cost
Fixtures & Fittings	-	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.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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

YEAR ENDED 31 DECEMBER 2003

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2003 £	2002 £
United Kingdom	437,750	474,688
Europe (excluding U.K.)	23,695	99,626
	<u>461,445</u>	<u>574,314</u>

3. OTHER OPERATING INCOME

	2003 £	2002 £
Management charges receivable	<u>7,058</u>	<u>-</u>

4. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2003 £	2002 £
Directors' emoluments	10,026	35,382
Depreciation of owned fixed assets	3,278	3,276
Loss on disposal of fixed assets	1,189	-
Auditors' remuneration		
- as auditors	6,250	5,895
Operating lease costs:		
Land and buildings	25,539	25,539
Plant and equipment	5,944	10,280
Vehicles	1,024	350
Net loss on foreign currency translation	<u>21,280</u>	<u>2,656</u>

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003 No	2002 No
Number of distribution staff	1	1
Number of administrative staff	1	1
Number of management staff	—	1
Number of sales staff	1	—
	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	66,280	72,685
Social security costs	6,587	7,971
	<u>72,867</u>	<u>80,656</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003 £	2002 £
Emoluments receivable	<u>10,026</u>	<u>35,382</u>

7. INTEREST PAYABLE

	2003 £	2002 £
Finance charges	—	338
Other similar charges payable	<u>1,222</u>	<u>—</u>
	<u>1,222</u>	<u>338</u>

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

8. TANGIBLE FIXED ASSETS

	Delivery Vehicles £	Plant & Machinery £	Fixtures & Fittings £	Total £
COST				
At 1 January 2003	48,714	7,713	54,253	110,680
Disposals	—	—	(1,580)	(1,580)
At 31 December 2003	<u>48,714</u>	<u>7,713</u>	<u>52,673</u>	<u>109,100</u>
DEPRECIATION				
At 1 January 2003	48,714	3,123	46,920	98,757
Charge for the year	—	1,542	1,736	3,278
On disposals	—	—	(391)	(391)
At 31 December 2003	<u>48,714</u>	<u>4,665</u>	<u>48,265</u>	<u>101,644</u>
NET BOOK VALUE				
At 31 December 2003	<u>—</u>	<u>3,048</u>	<u>4,408</u>	<u>7,456</u>
At 31 December 2002	<u>—</u>	<u>4,590</u>	<u>7,333</u>	<u>11,923</u>

9. STOCKS

	2003 £	2002 £
Raw materials	633	1,443
Finished goods	92,173	76,548
	<u>92,806</u>	<u>77,991</u>

10. DEBTORS

	2003 £	2002 £
Trade debtors	107,286	94,924
Amounts owed by group undertakings	5,638	9,012
Other debtors	9,392	10,339
	<u>122,316</u>	<u>114,275</u>

11. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	1,173	1,851
Amounts owed to group undertakings	23,844	33,491
Other taxation and social security	—	2,740
Other creditors	5,075	5,415
	<u>30,092</u>	<u>43,497</u>

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

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

	2003	2002
	£	£
Amounts owed to group undertakings	<u>23,821</u>	<u>—</u>

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>6,520</u>	<u>11,599</u>

14. RELATED PARTY TRANSACTIONS

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

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 SA.

15. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>52</u>	<u>52</u>	<u>52</u>	<u>52</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2003	2002
	£	£
Loss for the financial year	(83,757)	(38,570)
Opening shareholder's equity funds	<u>309,858</u>	<u>348,428</u>
Closing shareholder's equity funds	<u>226,101</u>	<u>309,858</u>

FOUNTAIN INDUSTRIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

17. ULTIMATE PARENT COMPANY

The ultimate parent company is Fountain SA, a company incorporated in Belgium. Copies of that company's consolidated financial statements may be obtained from:

Fountain SA
Avenue de l'Artisanat 17
B-1420 Braine-l'Alleud
Belgium