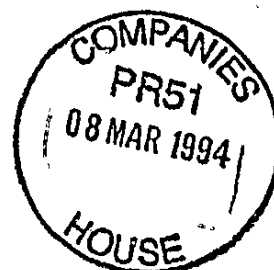


Register

COMPANY NUMBER: 1655729

PRIVATE LIQUOR BRANDS LIMITED
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 1993

Bourner Bullock
Chartered Accountants
Sovereign House
212-224 Shaftesbury Avenue
London WC2H 8HQ



PRIVATE LIQUOR BRANDS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 31st August 1993. These accounts consolidate the full accounts of Private Liquor Brands Limited and the one month period of the subsidiary company after acquisition.

RESULTS AND DIVIDENDS

The group trading profit on ordinary activities after taxation, but before dividends and minority interests amounted to £463,190 for the year, as compared with £270,420 (parent company) for the previous year (as restated to comply with Financial Reporting Standard No.3)

The directors do not recommend payment of a final dividend, during the year an interim dividend of £187,500 was paid. (1992: Total dividend -£140,000).

On 28th July 1993, the company acquired a subsidiary company - French Wine Farmers Limited. The consolidated accounts only reflect the year ended 31st August 1993 - the 1992 comparatives would be identical to the parent company accounts.

PRINCIPAL ACTIVITY

The group's principal activity is the importing of wines from Spain, Portugal, France, Australia and South America; also beer from Spain, Portugal and the USA.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Once again we can report an excellent year. Parent company turnover has increased by almost £4 million (17%) and gross profit by over £830,000 (36%). Although net operating expenses increased by 30% the net profit before taxation has nearly doubled to £869,230. The company has exercised strict control over its overhead expenditure during the year which has contributed to the improved results.

Sales of New World wines have increased satisfactorily and we are currently negotiating with an Australian Winery to represent them in the UK, which will increase our commitment in this very important region. In addition our beer division is now contributing towards the groups profit.

During July 1993 the majority shareholding in an old established French wine importer, French Wine Farmers Limited was acquired. Restructuring is currently under way and it is our intention to restore the company to its former position as an important supplier of prestige French wines to the UK.

Sales in the current year are in line with budget and we are confident that we are in a strong position to take advantage of any upturns in the economy.

DONATIONS

During the year the group made charitable donations of £3,185 - and paid a further £25,000 after the year end.

PRIVATE LIQUOR BRANDS LIMITED

REPORT OF THE DIRECTORS (CONTD)

DIRECTORS AND THEIR INTERESTS

The directors during the year and their interest in the share capital of the company were as follows:

	Interest in £1 Ordinary Shares of Private Liquor Brands Limited	
	<u>31.8.93</u>	<u>31.8.92</u>
J M Fredericks (Chairman)	100,000	100,000
J A Crosson (USA)	-	-
D J McCord	-	-
R C Harris	-	-
J E D Smith	-	-
Mrs J Fredericks	-	-
S K Fredericks (appointed 1.2.93)	-	-
E A Dipple (appointed 1.2.93)	-	-

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which gives 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;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- 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

Messrs. Bournier Bullock, having indicated their willingness to continue as auditors, will be proposed for re-election under the provisions of Section 385, Companies Act 1985.

Registered Office:

33/35 Cantelupe Road
East Grinstead
West Sussex
RH19 3BE

BY ORDER OF THE BOARD


E A DIPPLE
SECRETARY

Date: 23 February 1994
- 2 -

PRIVATE LIQUOR BRANDS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 4 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of 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.

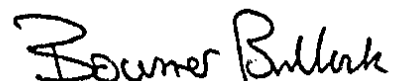
FUNDAMENTAL UNCERTAINTY

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the company's taxation liabilities. The effects of a review currently being carried out are uncertain and may lead to additional net liabilities as described in note 22. Our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and of the group as at 31st August 1993 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sovereign House
212-224 Shaftesbury Avenue
London WC2H 8HQ



Bournier Bullock
Chartered Accountants
and Registered Auditors

24th February 1994

PRIVATE LIQUOR BRANDS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST AUGUST 1993

NOTES

FIXED ASSETS

2	Intangible assets		312,658
3	Tangible assets		438,534
4	Investments		129,877

881,069

CURRENT ASSETS

5	Stocks & stock in transit	708,281	
6	Debtors	8,075,439	
	Cash at bank and in hand	1,718,655	

10,502,375

CREDITORS: Amounts falling due within 1 year

7	Loan	-	
	Trade creditors	8,694,888	
	Corporation tax	439,967	
	Other taxes & social security costs	748,176	
	Other creditors & accruals	468,758	
	Proposed dividend	-	
8	Finance lease & hire purchase obligations	8,666	

10,360,455

NET CURRENT ASSETS

141,920

TOTAL ASSETS LESS CURRENT LIABILITIES

1,022,989

CREDITORS: Amounts falling due after more than 1 year

Purchase of Subsidiary	(112,328)
------------------------	-----------

£910,661

Financed by:-

CAPITAL AND RESERVES

10	Called-up share capital	100,000
20	Profit and loss account	810,661
21	Shareholders funds	<u>£910,661</u>

Approved by the Board on 23rd February 1994

J M FREDERICKS }
D J McCORD } Directors

The notes on pages 11 to 18 form part of these financial statements.

PRIVATE LIQUOR BRANDS LIMITED
HOLDING COMPANY BALANCE SHEET AS AT 31ST AUGUST 1993

NOTES		£ <u>31.8.1993</u>	£	£ <u>31.8.1992</u>	£
	<u>FIXED ASSETS</u>				
3	Tangible assets		427,020		286,406
4	Investments		330,705		130,777
			<hr/>		<hr/>
			757,725		417,183
	<u>CURRENT ASSETS</u>				
5	Stocks & stock in transit	654,171		342,934	
6	Debtors	7,543,630		5,123,100	
	Cash at bank and in hand	1,679,696		2,250,061	
		<hr/>		<hr/>	
		9,877,497		7,716,095	
	<u>CREDITORS: Amounts falling due within 1 year</u>				
7	Loan	-		10,000	
	Trade creditors	7,967,327		6,679,489	
	Corporation tax	439,967		278,922	
	Other taxes & social security costs	742,298		94,088	
	Other creditors & accruals	361,292		189,500	
	Proposed dividend	-		120,000	
8	Finance lease & hire purchase obligations	8,666		998	
		<hr/>		<hr/>	
		9,519,550		7,372,997	
	NET CURRENT ASSETS		357,947		343,098
	TOTAL ASSETS LESS CURRENT LIABILITIES		1,115,672		760,281
	<u>CREDITORS: Amounts falling due after more than 1 year</u>				
9	Finance lease & hire purchase obligations	-		8,667	
7	Loan	-		80,000	
	Purchase of Subsidiary	112,328		-	
		<hr/>	(112,328)	<hr/>	(88,667)
	Financed by:-		<u>£1,003,344</u>		<u>£671,614</u>
	<u>CAPITAL AND RESERVES</u>				
10	Called-up share capital		100,000		100,000
20	Profit and loss account		903,344		571,614
			<hr/>		<hr/>
21	Shareholders funds		<u>£1,003,344</u>		<u>£671,614</u>

Approved by the Board on

27th February 1994

J M FREDERICKS

D J McCORD

} Directors

The notes on pages 11 to 18 form part of these financial statements.

PRIVATE LIQUOR BRANDS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1993

<u>NOTES</u>	Year Ended	
	£	31.8.1993 £
11	TURNOVER	
	Continuing operations	26,922,925
	Acquisitions	91,622
		<hr/>
		27,014,547
12	Cost of sales	(23,809,793)
		<hr/>
	GROSS PROFIT	3,204,754
12	NET OPERATING EXPENSES	(2,334,740)
		<hr/>
14	OPERATING PROFIT	
	Continuing operations	877,337
	Acquisitions	(7,323)
		<hr/>
		870,014
	Loss on sale of fixed assets	(8,299)
2	Amortisation of goodwill	(34,740)
		<hr/>
	PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE	826,975
15	Interest payable	(13,785)
		<hr/>
	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	813,190
16	Tax on profit on ordinary activities	(350,000)
		<hr/>
	PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	463,190
	Minority interests	4,260
	Provision for accumulated losses attributable to minority interests	(40,903)
		<hr/>
17	PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE MEMBERS OF THE HOLDING COMPANY	426,547
18	Dividends	(187,500)
		<hr/>
20	RETAINED PROFIT FOR THE FINANCIAL YEAR	<u>£239,047</u>

Note 1. The group has no recognised gains or losses other than the profit and loss for the year.

The notes on pages 11 to 18 form part of these financial statements.

PRIVATE LIQUOR BRANDS LIMITED
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 1993

	Year ended <u>31.8.93</u>
	£ £
Net cash inflow from operating activities	273,248
Returns on investments and servicing of finance:	
Interest received	73,949
Interest paid	(13,785)
Dividends paid	(307,500)
Net cash outflow from returns on investments and servicing of finance	(247,336)
Taxation:	
Corporation tax paid (including ACT)	(258,122)
Investing activities:	
Purchase of subsidiary undertaking (net of cash and cash equivalents acquired) (See page 9)	(26,452)
Payments to acquire tangible fixed assets	(184,996)
Receipts from sales of tangible fixed assets	3,250
Net cash outflow from investing activities	(208,198)
Net cash outflow before financing	(440,408)
Financing:	
Payments of finance leases	(998)
Repayments of loans	(90,000)
Net cash outflow from financing	(90,998)
Decrease in cash and cash equivalents	<u>(£531,406)</u>

PRIVATE LIQUOR BRANDS LIMITED
NOTES TO THE GROUP CASH FLOW STATEMENT

Reconciliation of operating profit to net cash inflow from operating activities:

	Year Ended <u>31.8.93</u>
£	£
Operating profit	870,014
Interest receivable	(73,949)
Depreciation charges	43,329
Increase in stocks	(311,238)
Increase in debtors	(2,651,018)
Increase in creditors	2,395,210
Amounts written off investments	900
	<hr/> (596,766) <hr/>
Net cash inflow from operating activities	<u>£273,248</u>

Analysis of changes in cash and cash equivalent during the year:

	Year Ended <u>31.8.93</u>
	£
Balance at 1st September 1992 - parent company only	2,250,061
Net cash outflow	(531,406)
Balance at 31st August 1993 - group	<u>£1,718,655</u>

PRIVATE LIQUOR BRANDS LIMITED
NOTES TO THE GROUP CASH FLOW STATEMENT (CONTINUED)

Purchase of Subsidiary Undertaking

Net assets acquired

Tangible fixed assets	22,010
Stocks	54,109
Debtors	473,110
Cash at bank and in hand	24,548
Creditors	(756,989)
Minority shareholders interests	36,642

	(146,570)
Goodwill on acquisition	347,398

Cost of acquisition	<u>£200,828</u>
---------------------	-----------------

Satisfied by

Cash paid during year	51,000
Cash due within 1 year	37,500
Cash due after more than 1 year	112,328

£200,828

Analysis of the net outflow of Cash and Cash equivalents in respect of the purchase of subsidiary undertakings

Cash consideration	51,000
Cash at bank and in hand acquired	(25,429)
Bank overdrafts of acquired subsidiary undertakings	881

£26,452

PRIVATE LIQUOR BRANDS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 1993

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards issued by UK accountancy bodies. The particular accounting policies are described below.

Accounting Convention -

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties and investments in subsidiaries.

Basis of Consolidation -

The consolidated financial statements include the results of Private Liquor Brands Limited and its subsidiary undertakings drawn up to 31st August 1993. No profit and loss account for the company has been presented for Private Liquor Brands Limited as permitted by section 230 of the Companies Act 1985. Goodwill arising on consolidation is amortised over 10 years.

The consolidated profit and loss account includes the results of French Wine Farmers Limited for the period from its acquisition on 28th July 1993.

Rocksure Associates Limited, a 100% owned subsidiary has been excluded from the consolidation on the grounds of immateriality see note 4.

Depreciation -

Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost, less estimated residual value of each asset evenly over its useful life, as follows:-

Leasehold improvements 10% on cost
Motor vehicles 20% on cost
Fixtures, fittings & equipment 15% on cost

It is the policy of the directors to dispose of any freehold property at such time as their estimated residual value falls below their book value and it is for this reason that no depreciation is provided against such Freehold Property.

Leasing transactions -

Any amounts payable under operating leasing agreements are written off as incurred.

Finance lease transactions -

Assets acquired under finance leases are shown at cost less depreciation. The liability to the finance company less pre-charged interest being included in creditors. Instalments not due until after 12 months from the balance sheet date are shown as long term liabilities.

Valuation of stocks and stock-in-transit -

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Stock-in-transit is valued at cost and becomes the liability of the company when it is shipped "Free on Board".

Deferred taxation -

Full provision is made at 33% for all tax liabilities which have been deferred mainly through claiming tax allowances in excess of depreciation and other short-term timing differences to the extent that it is probable that a liability will crystallise.

PRIVATE LIQUOR BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (Cont'd)

Foreign Currencies -

Revenues and costs arising from transactions denominated in a foreign currency have been translated at the exchange rate in operation on the date of the transaction. Assets and liabilities expressed in currencies other than sterling are translated to sterling at rates of exchange ruling at the end of the financial year. However, trade creditors payable in foreign currencies at 31st August 1993, have been converted using a combination of the rates of exchange ruling at 31st August 1993, the date of the transaction and the benefit of forward exchange contracts in existence at the year end which have been subsequently utilised to meet these liabilities.

2. INTANGIBLE FIXED ASSETS

Goodwill arising on consolidation	347,398
Amortised during year (over 10 years)	(34,740)
	<hr/>
Written down value at 31.8.93	<u>£312,658</u>

3. TANGIBLE FIXED ASSETS

GROUP

	<u>Freehold Property</u> £	<u>Leasehold Improvements</u> £	<u>Motor Vehicles</u> £	<u>Fixtures, Fittings & Equipment</u> £	<u>TOTAL</u> £
<u>COST</u>					
At 1.9.92 - parent only	194,587	-	63,445	124,867	382,899
Additions in year	-	98,639	24,276	84,091	207,006
Disposals in year	-		(9,000)	(21,505)	(30,505)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31.8.93	<u>194,587</u>	<u>98,639</u>	<u>78,721</u>	<u>187,453</u>	<u>559,400</u>
<u>ACCUMULATED DEPRECIATION</u>					
At 1.9.92 - parent only	-	-	49,388	47,105	96,493
Disposals in year	-	-	(7,947)	(11,009)	(18,956)
Charge for the year	-	8,539	9,341	25,449	43,329
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31.8.93	<u>-</u>	<u>8,539</u>	<u>50,782</u>	<u>61,545</u>	<u>120,866</u>
<u>NET BOOK VALUE AT 31.8.93</u>	<u>£194,587</u>	<u>£90,100</u>	<u>£27,939</u>	<u>£125,908</u>	<u>£438,534</u>
<u>NET BOOK VALUE AT 31.8.92</u>	<u>£194,587</u>	<u>£ -</u>	<u>£14,057</u>	<u>£77,762</u>	<u>£286,406</u>

The net book value of Motor Vehicles includes £6,598 being an asset held under a finance lease.

PRIVATE LIQUOR BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. TANGIBLE FIXED ASSETS (continued)

COMPANY

	<u>Freehold Property</u> £	<u>Leasehold Improvements</u> £	<u>Motor Vehicles</u> £	<u>Fixtures, Fittings & Equipment</u> £	<u>TOTAL</u> £
<u>COST</u>					
At 1.9.92	194,587	-	63,445	124,867	382,899
Additions in year	-	98,639	(9,000)	(750)	88,889
Disposals in year	-	-	17,613	68,744	86,357
	<u>194,587</u>	<u>98,639</u>	<u>72,058</u>	<u>192,861</u>	<u>558,145</u>
At 31.8.93	<u>194,587</u>	<u>98,639</u>	<u>72,058</u>	<u>192,861</u>	<u>558,145</u>
<u>ACCUMULATED DEPRECIATION</u>					
At 1.9.92	-	-	49,388	47,105	96,493
Disposals in year	-	-	(7,947)	(750)	(8,697)
Charge for the year	-	8,539	9,341	25,449	43,329
	<u>-</u>	<u>8,539</u>	<u>50,782</u>	<u>71,804</u>	<u>131,125</u>
At 31.8.93	<u>-</u>	<u>8,539</u>	<u>50,782</u>	<u>71,804</u>	<u>131,125</u>
<u>NET BOOK VALUE AT 31.8.93</u>	<u>£194,587</u>	<u>£90,100</u>	<u>£21,276</u>	<u>£121,057</u>	<u>£427,020</u>
<u>NET BOOK VALUE AT 31.8.92</u>	<u>£194,587</u>	<u>£ -</u>	<u>£14,057</u>	<u>£77,762</u>	<u>£286,406</u>

The net book value of Motor Vehicles includes £6,598 being an asset held under a finance lease.

4. INVESTMENTS

COMPANY

Held as fixed assets

The Company owns 100% of the issued share capital of Rocksure Associates Ltd, an unlisted company registered in Gibraltar.

The Company acquired during the year 80% of the issued share capital of French Wine Farmers Limited an unlisted company registered in the UK.

PRIVATE LIQUOR BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS - (continued)

COMPANY - (continued)

Rocksure Associates Ltd - Dormant 31.8.1993
£

Shares - Directors valuation (cost: £100)	51,977
Loan accounts - short term	23,000
- long term	35,000
(both loans are interest free with no fixed repayment terms)	

T J Keats & Co Ltd. - Dormant

Ordinary shares - at cost -

Land

Cost	19,900
------	--------

Group	129,877
-------	---------

French Wine Farmers Limited

Ordinary shares - at cost	200,828
---------------------------	---------

Parent company	<u>£330,705</u>
----------------	-----------------

In the directors opinion the inclusion of Rocksure Associates Ltd is not material for the purpose of giving a true and fair view. This company has been excluded from the consolidated accounts. The aggregate amount of capital and reserves as at 31st August 1993 was £44,675. The activities of the company have been incorporated into these accounts. The investment in T J Keats & Co Ltd was written off during the year as the company has now been removed from the register of companies.

5. <u>STOCKS & STOCK IN TRANSIT</u>	<u>GROUP</u>	<u>COMPANY</u>	
	<u>31.8.1993</u>	<u>31.8.1993</u>	<u>31.8.1992</u>
	£	£	£
Goods for sale	420,237	366,127	102,149
Stock in transit	288,044	288,044	240,785
	<u>£708,281</u>	<u>£654,171</u>	<u>£342,934</u>

6. DEBTORS

Trade debtors	7,842,863	7,085,037	4,941,615
Other debtors - due within one year	185,548	418,645	137,301
- due after one year	-	-	2,000
Prepayments	47,028	39,948	42,184
	<u>£8,075,439</u>	<u>£7,543,630</u>	<u>£5,123,100</u>

PRIVATE LIQUOR BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. BORROWINGS

Loan: Repayable by instalments.

	<u>GROUP</u> <u>31.8.1993</u> £	<u>COMPANY</u> <u>31.8.1993</u> £	<u>31.8.1992</u> £
Instalments due			
- within 12 months	-	-	10,000
- between 1 and 2 years	-	-	10,000
- between 2 and 5 years	-	-	30,000
- after 5 years	-	-	40,000
	-	-	90,000
<u>Less: Due within 12 months</u>	-	-	(10,000)
	<u>£ -</u>	<u>£ -</u>	<u>£80,000</u>

The loan was fully repaid on 15 January 1993.

8. FINANCE LEASES AND HIRE PURCHASE OBLIGATIONS

Minimum lease payments payable:

Within one year	8,989	8,989	2,935
Within two to five years	-	-	8,989
	<u>8,989</u>	<u>8,989</u>	<u>11,924</u>
Finance charges allocated to future period	(323)	(323)	(2,259)
	<u>£8,666</u>	<u>£8,666</u>	<u>£9,665</u>

9. OPERATING LEASE COMMITMENTS

The company was committed to making the following payments during the next year, with respect to other operating leases:

	<u>GROUP</u> <u>31.8.1993</u> £	<u>COMPANY</u> <u>31.8.1993</u> £	<u>31.8.1992</u> £
Leases which expire:			
Within 1 year	46,528	46,528	-
Within 2 to 5 years	40,854	40,854	80,557
	<u>£87,382</u>	<u>£87,382</u>	<u>£80,557</u>

PRIVATE LIQUOR BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	<u>GROUP AND COMPANY</u>	
	<u>31.8.1993</u>	<u>31.8.1992</u>
10. <u>CALLED-UP SHARE CAPITAL</u>		
Authorised:		
300,000 Ordinary shares of £1 each	<u>£300,000</u>	<u>£300,000</u>
Allotted, called-up and fully paid:		
100,000 Ordinary shares of £1 each	<u>£100,000</u>	<u>£100,000</u>

11. TURNOVER

Turnover represents the invoiced amount of goods sold (stated net of Value Added Tax), together with commissions receivable.

	<u>Year Ended</u>
	<u>31.8.1993</u>
	<u>£</u>
12. <u>NET OPERATING EXPENSES</u>	
Administrative expenses	2,408,688
Interest receivable	(73,948)
	<u>£2,334,740</u>

The following amounts were included within continuing activities in relation to the acquisitions during the period.

	<u>Year Ended</u>
	<u>31.8.1993</u>
	<u>£</u>
Cost of Sales	65,692
Administrative expenses	34,674
Interest receivable	(1,420)

13. STAFF COSTS - (INCLUDING DIRECTORS)

Wages and salaries	732,086
Social security costs	70,078
Other pension costs	96,611
	<u>£898,775</u>

The average weekly number of employees during the year was made up as follows:-

	<u>No</u>
Selling and distribution	9
Office and management	18
	<u>—</u>
	<u>27</u>

PRIVATE LIQUOR BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. OPERATING PROFIT

Year Ended
31.8.1993
£

This is stated after charging/(crediting)

Depreciation - assets owned by the group	40,030
- assets held under a finance lease	3,299
Auditors' remuneration - parent only	16,386
Rentals under operating leases - plant and machinery	111,284
Provision for doubtful debts	(11,049)
Directors' emoluments (see below) - (parent company director only)	<u>627,812</u>

Directors' remuneration comprises:
(parent company directors only)

Emoluments (including estimated benefits in kind)	550,484
Fees - Non-resident director	4,000
Pension contributions	73,328

£627,812

Chairman's emoluments (parent)
(excluding pension contributions)

£238,943

Other directors (excluding a director who performed his duties wholly outside the U.K, also excluding pension contributions) - parent company only.

£25,001 - £30,000	2
£40,001 - £45,000	1
£70,001 - £75,000	<u>3</u>

Pension paid to former director £6,500

No Directors of Private Liquor Brands Limited received any remuneration from the subsidiary company during the year.

15. INTEREST PAYABLE

On bank loans and overdrafts wholly repayable within 5 years	8,394
Other interest	5,391
	<u>£13,785</u>

16. TAX ON PROFIT ON ORDINARY ACTIVITIES

U.K. Corporation Tax based on profit for the year at 33% (1992: 33%)	350,000
Overprovision of tax in previous year	-
Transfer from deferred taxation	-
	<u>£350,000</u>

PRIVATE LIQUOR BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE HOLDING COMPANY

The profit after tax but before dividends dealt with in the accounts of the parent company amounted to £519,230 (1992 - £270,420).

18. DIVIDENDS

**Year ended
31.8.1993**

	<u>per share</u>	<u>£</u>
Interim - paid	1.875p	187,500
Final - proposed		-
	<hr/>	<hr/>
	<u>£1.875p</u>	<u>£187,500</u>

19. CONTINGENT LIABILITIES

Guarantees in existence at the year end were issued by the Group for:-

	<u>31.8.1993</u>
	<u>£</u>
Customs & Excise - General Removal Bond	50,000
- Duty Deferment	300,000
Intervention Board for Agricultural Produce	3,000
	<hr/>
	<u>£353,000</u>

Other contingent liabilities include:

Forward purchase of foreign currency	<u>£6,340,189</u>
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The above contingent liabilities relate to foreign currency purchases, which are matched by confirmed orders received by the company. The company has a £10 million forward exchange contract limit with its bankers.

20. PROFIT AND LOSS ACCOUNT

	<u>GROUP</u>	<u>COMPANY</u>	
	<u>31.8.1993</u>	<u>31.8.1993</u>	<u>31.8.1992</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Balance at 1st September 1992	571,614	571,614	434,317
- parent only			
Retained profit for the year	239,047	319,110	130,420
Transfer from Revaluation Reserve	-	-	6,877
	<hr/>	<hr/>	<hr/>
Balance at 31st August 1993	<u>£810,661</u>	<u>£890,724</u>	<u>£571,614</u>

PRIVATE LIQUOR BRANDS LIMITED

NOTES TO THE FINANCIAL CONSOLIDATED STATEMENTS (CONTINUED)

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>GROUP</u> <u>31.8.1993</u>	<u>COMPANY</u> <u>31.8.1993</u>	<u>31.8.1992</u>
Profit for the financial year	426,547	519,230	320,420
Dividend	(187,500)	(187,500)	(140,000)
Retained profit for the year	239,047	331,730	180,420
Other recognised losses	-	-	(50,000)
Net additions during the year	239,047	331,730	130,420
Shareholders funds at 1st September 1992 (parent only)	671,614	671,614	541,194
Shareholders funds at 31st August 1993	<u>£910,661</u>	<u>£1,003,344</u>	<u>£671,614</u>

22. CONTINGENT LIABILITY

It has come to the attention of the Directors that taxation liabilities of the company may be underprovided in respect of earlier years.

At this stage it is not possible to quantify the net financial effect on these accounts; however, in the directors' opinion these accounts will not be severely weakened by the resolution of these matters.