

**BIBENDUM WINE LIMITED**

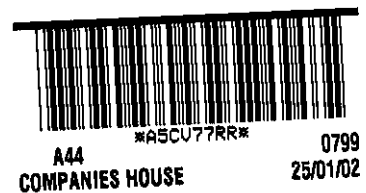
**REPORT AND ACCOUNTS**

**For the year ended**

**31 MARCH 2001**

100.00

2218928



# **BIBENDUM WINE LIMITED**

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**BIBENDUM WINE LIMITED**

**COMPANY DIRECTORY**

INCORPORATION NUMBER

2218928

DIRECTORS

A J Arkwright  
V A Cazalet  
B J Collins  
P I Espenhahn  
S C Farr  
P H R Gwyn  
T N Heywood-Lonsdale  
W O Lebus  
J S Pethick  
D Jago  
S Harrison  
M P Saunders

SECRETARY

A W Hibbert

REGISTERED OFFICE

113 Regents Park Road  
London  
NW1 8UR

BANKERS

National Westminster Bank plc  
Buckingham Branch  
2 Market Hill  
Buckingham  
MK18 1JS

AUDITORS

Smith & Williamson  
Chartered Accountants  
No 1 Riding House Street  
London W1A 3AS

SOLICITORS

Macfarlanes  
10 Norwich Street  
London  
EC4A 1BD

# BIBENDUM WINE LIMITED

## DIRECTORS' REPORT

The directors present their annual report on the affairs of the group, together with the accounts and auditors' report for the year ended 31 March 2001.

### Principal activities and business review

The principal activities of the group continue to be the importation and distribution of wine.

Turnover had increased by 8.1% from £19,868,873 to £21,473,085. The operating profit for the year was £73,084 (2000: £484,474), whilst the loss after taxation was £86,958 (2000: profit £250,564). The directors expect a return to profitability in the current financial year.

The directors do not recommend a final dividend for the year ended 31 March 2001 (2000: 8p).

### Directors and their interests

The directors who served during the year and their interests in the shares of the company, are shown below:

		Ordinary shares of £1 each	
	Options (see note 15)	31 March 2001	31 March 2000
A J Arkwright	-	75,000	75,000
V A Cazalet	-	20,000	20,000
B J Collins	-	251,000	301,000
P I Espenhahn	-	-	-
S C Farr	-	212,429	158,807
P H R Gwyn	-	60,000	60,000
T N Heywood-Lonsdale	4,000	180,000	180,000
W O Lebus	-	56,000	40,000
J S Pethick	-	64,404	64,404
D Jago – appointed 20 June 2000	12,500	-	-
S Harrison – appointed 20 June 2000	10,000	-	-
M P Saunders	14,000	65,619	65,619

During the year ended 31 March 2001, Mr T N Heywood-Lonsdale had a non-beneficial interest as trustee in 1,800 ordinary shares. The increase in certain of the directors' shareholdings relates to the exercise of options and purchase of shares.

### Fixed assets

The directors consider that the freehold land and buildings, which are included in the accounts at the book value of £900,000, had a market value in excess of £900,000 at 31 March 2001.

### Share issue

On 22 May 2000, the company issued 16,000 new shares at £1 per share in satisfaction of the exercise of options under the company's share option scheme.

**BIBENDUM WINE LIMITED**

**DIRECTORS' REPORT (continued)**

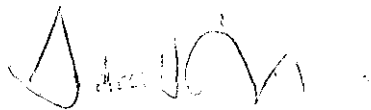
**Charitable donations**

During the year the company made charitable donations of £ 2,652 (2000: £Nil).

**Auditors**

A resolution to reappoint Smith & Williamson as auditors will be proposed at the next Annual General Meeting.

APPROVED BY THE BOARD OF DIRECTORS  
AND SIGNED ON BEHALF OF THE BOARD

A handwritten signature in dark ink, appearing to read 'A W Hibbert', is written over a faint, larger signature that is mostly illegible.

A W Hibbert  
SECRETARY

113 Regents Park Road  
London  
NW1 8UR

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 accounts, 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 standard have been followed, subject to any material departure disclosed and explained in the accounts;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position for the company and to enable them to ensure that the accounts 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.

# Smith & Williamson

## Independent auditors' report to the shareholders of Bibendum Wine Limited

We have audited the accounts of Bibendum Wine Limited for the year ended 31 March 2001 on pages 7 to 20. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

### 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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 the 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.

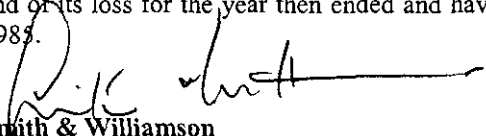
### Basis of audit opinion

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 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 which 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 31 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Smith & Williamson  
Chartered Accountants  
Registered Auditors

1 Riding House Street  
London  
W1A 3AS

Date 6 June 2001

**BIBENDUM WINE LIMITED**
**CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2001**

	Notes	2001 £	(As restated Note 23) 2000 £
<b>Turnover</b>	2	21,473,085	19,868,873
Cost of sales		(16,837,351)	(15,374,440)
<b>Gross profit</b>		4,635,734	4,494,443
Administrative expenses		(1,555,323)	(1,397,186)
Selling and distribution costs		(3,159,330)	(2,752,181)
Other operating income		152,003	139,408
<b>Operating profit</b>	3	73,084	484,474
Other interest receivable and similar income	4	2,515	6,315
Interest payable and similar charges	5	(155,140)	(131,101)
<b>(Loss)/profit on ordinary activities before taxation</b>		(79,541)	359,688
Tax on (loss)/profit on ordinary activities	7	(7,417)	(109,124)
<b>(Loss)/profit on ordinary activities after taxation</b>		(86,958)	250,564
Dividend	8	(1,280)	(99,092)
<b>Retained (loss)/profit for the year</b>	16	(88,238)	151,472

All of the group's operations are classed as continuing. Other than the gains and losses included in the above profit and loss account, £94,974 has been recognised as a prior period adjustment.

The accompanying notes are an integral part of these accounts.



**BIBENDUM WINE LIMITED**
**BALANCE SHEETS as at 31 MARCH 2001**

	Notes	Group (As restated Note 23) 2001 £		Company (As restated Note 23) 2001 £	
		2000	2000	2000	2000
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9	1,259,360	1,412,794	359,360	512,794
Investments	10	160,500	110,500	1,060,504	1,010,504
		<hr/>	<hr/>	<hr/>	<hr/>
		1,419,860	1,523,294	1,419,864	1,523,298
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Current assets</b>					
Stock	11	2,185,448	1,738,543	2,185,448	1,738,543
Debtors	12	4,341,297	4,996,092	4,341,297	4,996,092
		<hr/>	<hr/>	<hr/>	<hr/>
		6,526,745	6,734,635	6,526,745	6,734,635
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	13	(5,554,272)	(5,723,358)	(5,554,276)	(5,723,362)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net current assets</b>		972,473	1,011,277	972,469	1,011,273
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets less current liabilities</b>		2,392,333	2,534,571	2,392,333	2,534,571
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Creditors: falling due after more than one year</b>	14	(572,538)	(642,538)	(572,538)	(642,538)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets</b>		1,819,795	1,892,033	1,819,795	1,892,033
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Capital and reserves</b>					
Called up share capital	15	1,296,150	1,280,150	1,296,150	1,280,150
Revaluation reserve		200,000	200,000	-	-
Profit and loss account	16	323,645	411,883	523,645	611,883
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Shareholders' funds</b>	17	1,819,795	1,892,033	1,819,795	1,892,033
		<hr/>	<hr/>	<hr/>	<hr/>

The accounts were approved by the Board of Directors on 6 June 2001 and were signed on behalf of the Board of Directors.

  
D Jago  
Director

**BIBENDUM WINE LIMITED****CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 MARCH 2001**

	Notes	2001 £	2000 £
Net cash inflow/(outflow) from operating activities	19	532,540	(53,379)
<hr/>			
<b>Returns on investments and servicing of finance</b>			
Interest received		2,515	6,315
Interest paid		(155,140)	(132,663)
		<hr/>	<hr/>
		(152,625)	(126,348)
<hr/>			
<b>Taxation</b>			
Net tax paid		(122,918)	(4,387)
<hr/>			
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(51,903)	(120,052)
Increase in Employees' Share Option Plan		(50,000)	-
		<hr/>	<hr/>
		(101,903)	(120,052)
<hr/>			
Cash flows before financing		155,094	(304,166)
<hr/>			
<b>Financing</b>			
Share issue		16,000	110,000
Repayment of bank loan		(170,000)	(170,000)
Sale and Leaseback of Fixed Assets		23,037	-
		<hr/>	<hr/>
		(130,963)	(60,000)
<hr/>			
Equity dividend paid		(100,372)	-
<hr/>			
Decrease in cash	20	(76,241)	(364,166)
<hr/>			

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001**

**1. Accounting policies**

The accounts have been prepared in accordance with applicable accounting standards.

The principal accounting policies of the company and group, which remain unchanged from the previous year, are as follows:

**Basis of accounting**

The accounts have been prepared under the historical cost convention, modified to include the revaluation of land and buildings

**Basis of consolidation**

The group accounts consolidate the accounts of the company and all its subsidiaries made up to 31 March 2001. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is written off against reserves on acquisition.

No profit and loss account is presented for the company, as provided by S.230 of the Companies Act 1985. All the consolidated profit for the financial year attributable to the shareholders of Bibendum Wine Limited has been dealt with in the accounts of the parent company.

**Tangible fixed assets**

Land and buildings are shown at valuation as set out in note 9. Other fixed assets are shown at cost.

Depreciation is provided to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Property improvements	-	15% per annum
Office furniture and equipment	-	15% per annum
Computer equipment	-	33% per annum

No depreciation is provided on the freehold land and buildings. It is the group's policy to maintain its property in such condition that its value is not impaired by the passage of time. Such maintenance is charged to the profit and loss account. As a consequence, depreciation would not, in the opinion of the directors, be material and no provision has therefore been made.

**Employee Share Ownership Plan**

The company's accounts include the Bibendum Employee Benefit Trust. Share options exercisable into these shares will be granted to certain employees. The directors consider that the company has control of the shares held by the trust and bears their benefits and risks. Shares held by the trust are shown as 'own shares' within fixed asset investments. Amounts transferred which are awaiting investment in the company's shares are included in debtors. Administration expenses are charged to the profit and loss account as they accrue. The main features of the trust are detailed in note 10 to the accounts.

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)**

**1 Accounting policies (Continued)**

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Deferred tax**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

**Foreign currency**

Transactions denominated in foreign currencies are translated at the actual exchange rate on the date of the transaction or, where appropriate, at the rate of exchange of related forward foreign exchange contracts. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange of a related forward foreign exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as a foreign exchange gain or loss in the profit and loss account.

**Turnover**

Group turnover comprises the value of sales (excluding VAT) of goods and services in the normal course of business.

**En primeur sales**

Revenue in respect of en primeur sales is recognised when invoiced and the amount is payable by the customer. The cost of the goods to be delivered is included in cost of sales and creditors. In addition, payment has usually been made to the supplier before delivery of the goods. Payments on account have been recorded as a reduction in the related creditor.

**Pension costs**

The company operates a defined contribution scheme for certain employees and its liability is limited to the company's element of monthly contributions. Contributions are charged to the profit and loss account as they become payable.

**Goodwill**

The company has taken advantage of the transitional provision of FRS10 *Goodwill and intangible assets*. Goodwill relating to acquisitions in prior years is written off directly to profit and loss reserves. Goodwill has been eliminated as a matter of accounting policy and will be charged in the profit and loss account on subsequent disposal of the business to which it relates.

**BIBENDUM WINE LIMITED**
**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)**

<b>2</b>	<b>Turnover</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	United Kingdom	20,530,610	19,130,555
	Rest of World	942,475	738,318
		<hr/>	<hr/>
		21,473,085	19,868,873
		<hr/>	<hr/>
<b>3</b>	<b>Operating profit</b>	<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation	180,443	185,995
	Operating leases	70,482	40,413
	Auditors' remuneration	18,000	18,000
	Loss on disposal of fixed assets	1,857	57,944
		<hr/>	<hr/>
<b>4</b>	<b>Other interest receivable and similar income</b>	<b>£</b>	<b>£</b>
	Bank interest receivable	2,515	6,315
		<hr/>	<hr/>
<b>5</b>	<b>Interest payable and similar charges</b>	<b>£</b>	<b>£</b>
	On convertible unsecured loan stock 2003	29,254	29,254
	On bank loans	65,843	51,656
	On bank overdraft	60,043	50,191
		<hr/>	<hr/>
		155,140	131,101
		<hr/>	<hr/>
<b>6</b>	<b>Information regarding directors and employees</b>	<b>£</b>	<b>£</b>
	Employee costs during the year amounted to:		
	Wages and salaries	2,337,344	1,861,774
	Social security costs	242,416	189,449
	Pension costs	90,684	71,736
		<hr/>	<hr/>
		2,670,444	2,122,959
		<hr/>	<hr/>

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)

## 6 Information regarding directors and employees (continued)

The average number of persons employed by the group was as follows:

	2001	2000
Selling and distribution	54	55
Administration	13	11
	<hr/>	<hr/>
	67	66
	<hr/>	<hr/>

**Directors' remuneration**

Directors' remuneration was paid in respect of directors as follows:

	£	£
Aggregate emoluments (including pension contributions)	560,891	446,433
Company pension contributions to money purchase schemes	48,969	36,787
	<hr/>	<hr/>

The remuneration of the highest paid director was as follows:

	£	£
Aggregate emoluments (excluding pension contributions)	120,567	112,504
Company pension contributions to money purchase schemes	12,000	11,000
	<hr/>	<hr/>

## 7 Tax on (loss)/profit on ordinary activities

(As restated  
Note 23)

	£	£
United Kingdom Corporation tax for the year at 31.5% (2000 32%)	8,680	119,904
Over provision in respect of prior years	(1,263)	(10,780)
	<hr/>	<hr/>
	7,417	109,124
	<hr/>	<hr/>

## 8 Dividend

	£	£
Final dividend payable in respect of the year ended 31 March 2000	1,280	99,092
	<hr/>	<hr/>

Dividends have been waived in respect of shares held by the Bibendum Employees Benefit Trust.

**BIBENDUM WINE LIMITED**
**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)**
**9 Tangible fixed assets**

<b>GROUP</b>	<b>Total £</b>	<b>Freehold land and buildings £</b>	<b>Property improve- ments £</b>	<b>Office furniture and equipment £</b>	<b>Computer equipment £</b>
<b>Cost or valuation</b>					
At 1 April 2000	2,022,394	900,000	494,698	263,841	363,855
Additions	51,903	-	-	-	51,903
Disposals	(28,712)	-	-	-	(28,712)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	2,045,585	900,000	494,698	263,841	387,046
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 2000	609,600	-	269,095	147,673	192,832
Charge for the year	180,443	-	64,964	22,418	93,061
Disposals	(3,818)	-	-	-	(3,818)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	786,225	-	334,059	170,091	282,075
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 March 2001	1,259,360	900,000	160,639	93,750	104,971
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	1,412,794	900,000	225,603	116,168	171,023
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The directors consider the freehold land and buildings to have a market value in excess of £900,000 as at 31 March 2001. The cost to the group as at 31 March 2001 was £700,000 (2000: £700,000).

**BIBENDUM WINE LIMITED**
**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)**
**9 Tangible fixed assets (continued)**

<b>COMPANY</b>	<b>Total £</b>	<b>Property improve- ments £</b>	<b>Office furniture and equipment £</b>	<b>Computer equipment £</b>
<b>Cost</b>				
At 1 April 2000	1,122,394	494,698	263,841	363,855
Additions	51,903	-	-	51,903
Disposals	(28,712)	-	-	(28,712)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	1,145,585	494,698	263,841	387,046
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2000	609,600	269,095	147,673	192,832
Charge for the year	180,443	64,964	22,418	93,061
Disposals	(3,818)	-	-	(3,818)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	786,225	334,059	170,091	282,075
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2001	359,360	160,639	93,750	104,971
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	512,794	225,603	116,168	171,023
	<hr/>	<hr/>	<hr/>	<hr/>

**10 Investments held as fixed assets**

	<b>Group</b>	
	<b>2001 £</b>	<b>2000 £</b>
Own shares held by Bibendum Employee Benefit Trust	160,500	110,500
	<hr/>	<hr/>
	<b>Company</b>	
	<b>2001 £</b>	<b>2000 £</b>
Shares in subsidiaries at cost	707,675	707,675
Loan to a subsidiary	363,792	363,792
Provision against loan	(171,463)	(171,463)
Own shares held by Bibendum Employees Benefit Trust	160,500	110,500
	<hr/>	<hr/>
	1,060,504	1,010,504
	<hr/>	<hr/>



# BIBENDUM WINE LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)

### 10 Investments held as fixed assets (continued)

The company's subsidiaries are as follows:

Mixbury Trading Company Limited

The Yorkshire Fine Wine Company Limited

H Youdell and Company Limited

All subsidiaries are dormant, are incorporated in England and are wholly owned by the company.

The Bibendum Employee Benefit Trust was set up to purchase shares in the company, and with the agreement of the Board, share options exercisable into these shares will be granted to certain employees. The Trust is currently funded by cash contributions from the company.

The Bibendum Employee Benefit Trust owns 57,250 shares (2000: 41,500 shares). 49,500 shares (2000: 35,500 shares) were held under option to directors and employees.

### 11 Stock

#### Group and Company (As restated Note 23)

2001	2000
£	£

Goods held for resale	2,185,448	1,738,543
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### 12 Debtors

2001	2000
£	£

Trade debtors	4,156,503	4,839,038
Corporation tax recoverable	38,416	28,216
Prepayments and accrued income	146,378	128,838

4,341,297	4,996,092
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**BIBENDUM WINE LIMITED**
**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)**
**13 Creditors: amounts falling due within one year**

	<b>Group</b> <b>(As restated</b> <b>Note 23)</b>		<b>Company</b> <b>(As restated</b> <b>Note 23)</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Current portion of bank loan (note 14)	70,000	170,000	70,000	170,000
Bank overdraft	478,198	401,957	478,198	401,957
Trade creditors	4,459,852	4,349,140	4,459,852	4,349,140
Corporation tax	-	106,564	-	106,564
Other creditors including taxation and social security	152,712	220,728	152,716	220,732
Accruals and deferred income	393,510	375,877	393,510	375,877
Dividend payable	-	99,092	-	99,092
	<u>5,554,272</u>	<u>5,723,358</u>	<u>5,554,276</u>	<u>5,723,362</u>

**14 Creditors: Amounts falling due after more than one year**

	<b>Group and Company</b>	
	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Bank loans	280,000	350,000
Convertible unsecured loan stock 2003	292,538	292,538
	<u>572,538</u>	<u>642,538</u>
The bank loans are repayable as follows: due in less than one year (note 13)	70,000	170,000
due between one and two years	70,000	170,000
due between two and five years	210,000	180,000
due in over one year (as above)	<u>280,000</u>	<u>350,000</u>
	<u>350,000</u>	<u>520,000</u>

£350,000 is repayable in equal quarterly instalments up to 2006. Interest is charged on the loan at a fixed rate of 9%. The loan is secured by way of a fixed and floating charge over the assets of the group and by an unlimited guarantee from the subsidiary Mixbury Trading Company Limited

The 10% convertible unsecured loan stock is redeemable on 25 May 2003 and the amount payable on redemption is £292,538. The stock is convertible into 292,538 ordinary £1 shares which will rank equal in all respects to the existing ordinary share capital. Conversion is at the option of the holder at any date prior to redemption date.

**BIBENDUM WINE LIMITED****NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)**

15	<b>Called up share capital</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	Ordinary shares of £1 each	1,500,000	1,500,000
	Cumulative redeemable 2% £1 preference shares	110,000	110,000
		<hr/>	<hr/>
		1,610,000	1,610,000
		<hr/>	<hr/>
	<b>Allotted and fully paid</b>		
	Ordinary shares of £1 each	1,296,150	1,280,150
		<hr/>	<hr/>

Options on shares have been issued under the Executive Share Option Scheme and the Bibendum Employee Share Option Scheme 1995 as follows:

Date of issue	Number of shares	Price	Earliest date	Latest date
16.03.1998	19,500	£3.03	16.03.2001	16.03.2005
14.09.2000	30,000	£3.19	14.09.2003	13.09.2007

The share option schemes are open to directors and employees.

16	<b>Profit and loss account</b>	<b>Group</b>	<b>Company</b>
		<b>£</b>	<b>£</b>
	At 31 March 2000	506,857	706,857
	Prior year adjustment (Note 23)	(94,974)	(94,974)
		<hr/>	<hr/>
	As restated	411,883	611,883
	Loss for the financial year	(88,238)	(88,238)
		<hr/>	<hr/>
	At 31 March 2001	323,645	523,645
		<hr/>	<hr/>

Cumulative goodwill written off to group reserves amounts to £371,463 (2000 £371,463).

# BIBENDUM WINE LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)

17

Reconciliation of movements in shareholder's funds

	Group and Company	
	2001	2000
	£	£
(Loss)/profit for the financial year	(86,958)	250,564
Share capital issued in the year	16,000	110,000
Dividends	(1,280)	(99,092)
Net (reduction)/addition to shareholders' funds	(72,238)	261,472
Opening shareholders' funds	1,892,033	1,630,561
Closing shareholders' funds	1,819,795	1,892,033

18

Guarantees and other financial commitments

At the balance sheet date, the company had entered into forward foreign exchange contracts with a value amounting to £5,100,997 (2000: £4,112,459).

19

Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2001	2000
	£	£
Operating profit	73,084	484,474
Depreciation charge	180,443	185,995
Loss on disposal of fixed assets	1,857	57,944
Increase in stock	(446,905)	(481,692)
Decrease/(increase) in debtors	664,996	(799,822)
Increase in creditors	59,065	499,722
Net cash inflow/(outflow) from operating activities	532,540	(53,379)

20

Reconciliation of net cash flow to movement in net debt

	£	£
Decrease in cash in the period	(76,241)	(364,166)
Cash outflow from loans	170,000	170,000
Change in net debt	93,759	(194,166)
Net debt at 1 April 2000	(1,214,495)	(1,020,329)
Net debt at 31 March 2001	(1,120,736)	(1,214,495)

# BIBENDUM WINE LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2001 (continued)

### 21 Analysis of changes in net debt during the year

	At 1 April 2000 £	Cash flows £	Other changes £	At 31 March 2001 £
Cash at bank	(401,957)	(76,241)	-	(478,198)
Debt due within one year	(170,000)	170,000	(70,000)	(70,000)
Debt due after one year	(642,538)	-	70,000	(572,538)
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,214,495)	93,759	-	(1,120,736)
	<hr/>	<hr/>	<hr/>	<hr/>

### 22 Operating leases

Bibendum Wine Limited holds motor vehicles and computer equipment on non-cancellable operating leases. The annual net commitments under these leases are as follows:

	2001 £	2000 £
Leases expiring:		
Within one year	3,000	-
Between two and five years	73,417	42,747
	<hr/>	<hr/>
	76,417	42,747
	<hr/>	<hr/>

### 23 Prior year adjustment

A series of systems errors in the prior year resulted in stock being overstated by £142,070. This error was detected and corrected in the current year. Accordingly the comparatives have been restated by £94,974, being the charge net of corporation tax.