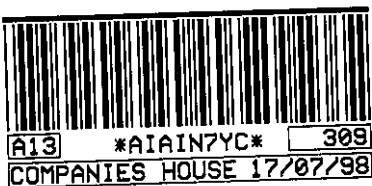


WILLIAM MASON FINE WINES LIMITED

ACCOUNTS

PERIOD 19TH MARCH 1997 TO 31ST MARCH 1998

COMPANY NO: 3336395



WILLIAM MASON FINE WINES LIMITED

DIRECTOR: Mr W Mason

SECRETARY: Mrs S Mason

AUDITORS: Gary Malcolm & Co
Chartered Accountants
Beech Cottage
Middleton Street
Wymondham
Norfolk
NR18 0AD

BANKERS: MIDLAND BANK plc

REGISTERED OFFICE: Exton House
White Hart Street
East Harling
Norwich
Norfolk
NR16 2NE

REGISTERED NUMBER: 3336395

WILLIAM MASON FINE WINES LIMITED

REPORT OF THE DIRECTORS

The director presents his report on the affairs of the company, together with the accounts and auditors' report for the period 19th March 1997 to 31st March 1998.

The company was incorporated on 19th March 1997 and commenced trading on 1st April 1997.

PRINCIPAL ACTIVITY

The company's principal activity is that of retail and wholesale of wine.

DIRECTORS

The directors in office during the period and their interest in the shares of the company(including family interests) were as follows:

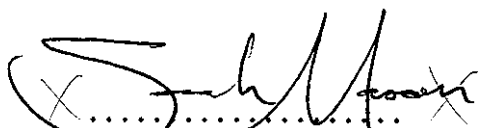
	Ordinary Shares of £1 each 31/3/98	19/3/97 (or date of appointment if later)	
W Mason	5000		2

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution proposing the reappointment of Gary Malcolm & Co as auditors to the company will be put to the annual general meeting.

In preparing the above report, the directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

By order of the Board

 22/6/98.
Secretary Date

Mrs S Mason

Report of the Auditors

to the members of

WILLIAM MASON FINE WINES LIMITED

We have audited the accounts set out on pages 5-12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report 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 accounts give a true and fair view of the state of the company's affairs at 31st March 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.



Gary Malcolm & Co
CHARTERED ACCOUNTANTS
and REGISTERED AUDITORS
Beech Cottage
20A Middleton Street
Wymondham
Norfolk
NR18 0AD

22nd June 1998

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

- a) Select suitable accounting policies and apply them consistently.
- b) Make judgements and estimates that are reasonable and prudent.
- c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- d) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts

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.

WILLIAM MASON FINE WINES LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD 19TH MARCH 1997 TO 31ST MARCH 1998

	Notes	£
Turnover		236,421
Cost of sales		182,924
GROSS PROFIT		53,497
Administrative expenses		44,204
OPERATING PROFIT	2	9,293
Interest payable		(1,645)
		7,648
Taxation	3	(1,878)
Profit after taxation and retained profit for the period		5,769
Retained profit brought forward		-
Retained profit carried forward		£5,769

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above financial period.

WILLIAM MASON FINE WINES LIMITED

BALANCE SHEET AS AT 31ST MARCH 1998

	Notes	£	£
TANGIBLE FIXED ASSETS	9		11,419
INTANGIBLE FIXED ASSETS (Goodwill)	10		12,255
CURRENT ASSETS			
Stock		32,998	
Debtors	4	37,958	
Bank account		190	

		71,146	

CREDITORS			
Amounts due within one year	5	55,398	

NET CURRENT ASSETS			15,748

TOTAL ASSETS LESS CURRENT LIABILITIES			39,422

CREDITORS			
Amounts falling due after more than one year	6		(3,639)

TOTAL ASSETS LESS CURRENT LIABILITIES			£35,783
			=====
CAPITAL AND RESERVES			
Share Capital	7	7,142	
Share premium account		22,872	
Profit and Loss Account		5,769	

SHAREHOLDERS FUNDS	8		£35,783
			=====

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the Board on 22nd June 1998 and signed on its behalf.

X *William Mason* Director X
W Mason

NOTES TO THE ACCOUNTS

PERIOD 19TH MARCH 1997 TO 31ST MARCH 1998

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Turnover

Turnover comprises invoiced sales, net of VAT.

(b) Basis of accounting

The accounts are prepared under the historical cost convention.

(c) Cash flow statement

The company has taken advantage of the exemption available per FRS1 for small companies not to prepare a cash flow statement.

(d) Tangible Fixed Assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases :

Motor vehicles	20% reducing balance basis
Equipment	15% reducing balance basis

(e) Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the separable net assets. It is amortised to profit and loss account over its estimated economic life of ten years.

(e) Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving stocks.

NOTES TO THE ACCOUNTS

PERIOD 19TH MARCH 1997 TO 31ST MARCH 1998

(f) 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(g) Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

(h) Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

(i) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

2. OPERATING PROFIT

The operating profit is stated after charging:

	£
Directors emoluments	7,200
Auditors remuneration	1,000
Depreciation of tangible fixed assets	
- owned by the company	690
- held under finance leases	2,127
Depreciation of intangible fixed assets	1,362

NOTES TO THE ACCOUNTS

PERIOD 19TH MARCH 1997 TO 31ST MARCH 1998

3 . TAXATION

UK Corporation tax at 23%	£1,878
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4. DEBTORS

	£
Trade debtors	13,395
Other debtors	24,563

	£37,958

Other debtors' represents a loan to the director, W Mason. The loan at the beginning of the year was nil and the maximum amount of the loan during the year was £24563. The loan was interest free.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Bank overdraft	21,029
Trade creditors	20,831
Other Creditors	984
Social security and other taxes	7,113
Net obligations under finance lease and hire purchase contracts	3,563
Corporation tax	1,878

	£55,398

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Net obligations under finance lease and hire purchase contracts	£3,639
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WILLIAM MASON FINE WINES LIMITED

NOTES TO THE ACCOUNTS

PERIOD 19TH MARCH 1997 TO 31ST MARCH 1998

7. SHARE CAPITAL

Ordinary shares of £1 each

Authorised	£1,000,000
Allotted, Issued and fully paid	<u>£7,142</u>

During the year, 7142 ordinary shares of £1 nominal value were allotted for a total consideration of £25,014.

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER FUNDS

	£
Profit for the financial year	5,769
Share capital subscribed during the year	<u>30,014</u>
Closing shareholders funds	<u>£35,783</u>

WILLIAM MASON FINE WINES LIMITED

NOTES TO THE ACCOUNTS

PERIOD 19TH MARCH 1997 TO 31ST MARCH 1998

9. FIXED ASSETS - tangible

	MOTOR VEHICLES	EQUIPMENT	TOTAL
COST			
Additions	13,636	600	14,236
Balance carried foward	13,636	600	14,236
DEPRECIATION			
Charge for the period	2,727	90	2,817
Balance carried foward	2,727	90	2,817
NET BOOK VALUE			
NBV at 31/3/98	£10,909	£510	£11,419

A motor vehicle with a net book value of £8508 is held under a finance lease.

10. FIXED ASSETS - intangible

	GOODWILL
COST	
Additions	13,617
Balance carried foward	13,617
AMORTISATION	
Charge for the period	1,362
Balance carried foward	1,362
NET BOOK VALUE	
NBV at 31/3/98	£12,255

NOTES TO THE ACCOUNTS

PERIOD 19TH MARCH 1997 TO 31ST MARCH 1998

11. RELATED PARTY TRANSACTIONS

During the period, W Mason acquired wine from the company at normal selling price for a total consideration , excluding VAT, of £3294. At 31st March 1998, he owed the company £3073.

12. OTHER COMMITMENTS

At 31st March 1998, the company had annual commitments under non- cancellable operating leases as follows:

Expiry date

Within one year	£429
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