

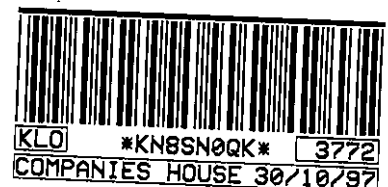
Company No. 2569845

CHARTERHOUSE WINE COMPANY LIMITED

REPORT AND ACCOUNTS

31 December 1996

**Henry Jarvis Fleming
Chartered Accountants
Registered Auditors
36 John Street
London WC1N 2AT**



CHARTERHOUSE WINE COMPANY LIMITED

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CHARTERHOUSE WINE COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS

J. R. Walker
A. E. Donkin

SECRETARY

J. R. Walker

REGISTERED OFFICE

36 John Street
London
WC1N 2AT

REGISTERED NUMBER

2569845 (England and
Wales)

DATE OF INCORPORATION

20th December 1990

AUDITORS

Henry Jarvis Fleming
36 John Street
London
WC1N 2AT

CHARTERHOUSE WINE COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their Annual Report with the financial statements of the company for the year ended 31 December 1996.

Principal Activities

The principal activities of the company in the year under review were the wholesale distribution of imported wine to the trade and the wholesale and retail sale of imported wines to the corporate and private sectors.

Directors

The directors who held office during the year and their beneficial interests in the company's issued ordinary share capital, were as follows:

	<u>31 December 1996</u>	<u>31 December 1995</u>
J. R. Walker	21,999	11,999
A. E. Donkin	1	1

Directors' Responsibilities

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:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- d) 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 of 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.

CHARTERHOUSE WINE COMPANY LIMITED


REPORT OF THE DIRECTORS (CONT).

Auditors/Reporting Accountants

Messrs. Henry Jarvis Fleming have indicated their willingness to continue in office, and in accordance with the provision of the Companies Act 1985, it is proposed that they be reappointed as auditors for the ensuing year.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

Signed on behalf of
the board of directors

.....
Secretary

.....27.10.97
Date

AUDITORS' REPORT TO THE MEMBERS OF
CHARTERHOUSE WINE COMPANY LIMITED

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 directors and 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 the 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.

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Henry Jarvis Fleming
Chartered Accountants
Registered Auditors
36 John Street
London WC1N 2AT

27 October 1997

CHARTERHOUSE WINE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

For the Year ended 31 December 1996

	<u>Note</u>	£	<u>1996</u>	£	£	<u>1995</u>	£
TURNOVER	1		642,300			376,700	
Cost of Sales			511,048			316,787	
			-----			-----	
GROSS PROFIT			131,252			59,913	
Distribution Costs		10,860			5,968		
Administrative Expenses		100,782			49,915		
		-----			-----		
			111,642			55,883	
			-----			-----	
OPERATING PROFIT	2		19,610			4,030	
Interest Payable			8,458			3,793	
			-----			-----	
PROFIT on Ordinary Activities before Taxation			11,152			237	
TAXATION			1,649			-	
			-----			-----	
PROFIT on Ordinary Activities after Taxation			9,503			237	
LOSSES Brought Forward			(14,192)			(14,429)	
			-----			-----	
LOSSES Carried Forward			£ (4,689)			£ (14,192)	
			=====			=====	

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses other than the profit or loss for the above two financial years.

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

CHARTERHOUSE WINE COMPANY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996

		<u>1996</u>	<u>1995</u>
	<u>Note</u>	£	£
FIXED ASSETS			
Tangible Assets	3	30,990	6,569
CURRENT ASSETS			
Stocks	4	90,963	59,127
Debtors	5	132,636	95,410
Cash Balances		20,216	27,948
		-----	-----
		243,815	182,485
CREDITORS : amounts falling due within one year	6	223,484	165,826
		-----	-----
NET CURRENT ASSETS		20,331	16,659
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		51,321	23,228
CREDITORS : amounts falling due after more than one year	7	34,010	25,420
		-----	-----
		£17,311	£(2,192)
		=====	=====
CAPITAL AND RESERVES			
Called up Share Capital	8	22,000	12,000
Profit and Loss Account		(4,689)	(14,192)
		-----	-----
		£17,311	£(2,192)
		=====	=====

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Signed on behalf of the Board of Directors

.....
Director

These financial statements were approved by the Board on 27/10/97

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

CHARTERHOUSE WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

The accounts have been prepared under the historical cost convention.

1.2 Turnover

Turnover represents net invoiced sales of goods, excluding VAT, all attributable to the principal activities of the company.

1.3 Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Furniture and equipment	- 20% on written down value
Motor vehicles	- 25% on written down value

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct expenditure.

1.5 Hire Purchase Contracts

The cost of assets acquired under hire purchase agreements is included under Tangible Fixed Assets and depreciation is provided in accordance with the above policies. The interest cost is charged on a sum of the digits basis over the term of the agreement and the capital element of future payments is included under Creditors.

1.6 Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the Operating Profit.

1.7 Cash Flow Statement

The company qualifies as a 'small company' as defined by the Companies Act 1985. It is therefore exempt from preparing a Cash Flow Statement.

CHARTERHOUSE WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONT).

	<u>1996</u> £	<u>1995</u> £
2. OPERATING PROFIT		
The Operating Profit is stated after charging/(crediting):		
Depreciation of Tangible Fixed Assets:-		
Owned Assets	706	2,019
Assets acquired under HP agreements	2,338	-
Directors' Remuneration	5,249	7,945
Audit Fee	2,000	1,250
Foreign exchange (gain)/loss	(704)	-
	-----	-----

Directors remuneration consisted wholly of other emoluments.

3. TANGIBLE FIXED ASSETS

	<u>Furniture & Equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost			
At 1 January 1996	4,488	15,265	19,753
Additions	2,976	29,017	31,993
Disposals	-	(15,265)	(15,265)
	-----	-----	-----
At 31 December 1996	7,464	29,017	36,481
	-----	-----	-----
Depreciation			
At 1 January 1996	2,447	10,737	13,184
Charge for the year	706	2,338	3,044
Accumulated depreciation on disposals	-	(10,737)	(10,737)
	-----	-----	-----
At 31 December 1996	3,153	2,338	5,491
	-----	-----	-----
Written Down Value			
At 31 December 1996	£4,311	£26,679	£30,990
	=====	=====	=====
At 31 December 1995	£2,041	£ 4,528	£ 6,569
	=====	=====	=====

The net book value of fixed assets of £30,990 at 31 December 1996 includes £26,679 in respect of assets held under hire-purchase contracts.

CHARTERHOUSE WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONT).

	<u>1996</u> £	<u>1995</u> £
4. STOCKS		
Goods Purchased for Resale	£90,963 =====	£59,127 =====
5. DEBTORS		
Trade Debtors	128,904	92,582
Prepayments	3,732	2,828
	----- £132,636 =====	----- £ 95,410 =====
6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank Loan and Overdraft	5,415	19,383
Trade Creditors	167,646	125,711
Director's Loan	8,804	12,070
Social Security and Other Taxes	30,788	7,162
Corporation Tax	1,649	-
Accruals	2,000	1,500
Hire Purchase Instalments	7,182	-
	----- £223,484 =====	----- £165,826 =====
7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Bank Loan	-	5,420
Director's Loan	20,000	20,000
Hire Purchase Instalments	14,010	-
	----- £ 34,010 =====	----- £ 25,420 =====
8. CALLED UP SHARE CAPITAL		
<u>Authorised</u> 100,000 Ordinary Shares of £1 each	£100,000 =====	£100,000 =====
<u>Allotted, Called Up and Fully Paid</u> 12,000 Ordinary Shares of £1 each	£ 22,000 =====	£ 12,000 =====

A further 10,000 £1 ordinary shares were issued at par during the year in order to provide a firmer financial base for the company's anticipated development and expansion.

CHARTERHOUSE WINE COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1996 (CONT).

9. TRANSACTIONS INVOLVING DIRECTORS

During the year the company purchased stock valued at £9,990 from J R Walker, a director of the company. This purchase was made on commercial terms.

10. RELATED PARTIES

The company is controlled by J R Walker, a director of the company.