

266367

# WINEWORLD LONDON PLC

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST JULY 2005



# Wineworld London plc

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# **Wineworld London plc**

## **Company Information**

### **Directors**

Alexander Anderson (Chairman)  
Michael Loubser  
Roger Wood  
Malcolm Ball

### **Secretary**

Jason Melrose

### **Registered Office**

1 Bank End  
London  
SE1 9BU

### **Company Number**

2663676

### **Bankers**

Bank of Scotland  
38 Threadneedle Street  
London  
EC2P 2EH

### **Auditor**

Tenon Audit Limited  
Charnwood House  
Gregory Boulevard  
Nottingham, NG7 6NX

# Wineworld London plc

## Report of the Directors for the year ended 31 July 2005

The directors present their report and financial statements for the year ended 31 July 2005.

### Principal activity and business review

The major feature of Vinopolis is the Wine Odyssey, a pay-to-enter audio-visual tour of the world's wine regions, cultures, history and flavours, aimed principally at adults with tasting tables throughout the vaulted halls in which the tour is set. Another significant activity is corporate hospitality and events. Vinopolis also has a fine dining restaurant including a wine bar called Cantina Vinopolis and a separate wine bar called Wine Wharf on site of which the Company owns a 40% share. In addition Vinopolis houses retail facilities and a variety of educational, training and subscription services open to the wider public.

In view of the significant reduction in losses after taxation in this sixth trading year compared with the first five trading years the directors regard the results for this year as acceptable and are reasonably confident of future prospects.

Share issues in the year are detailed in note 14 to the financial statements.

### Results and dividend

The results for the year are set out on page 5.

The directors do not recommend the payment of a dividend (2004 - Nil).

### Directors and their interests

The directors who served the Company throughout the year together with their interests (including family interests) in the shares of the Company, at the beginning and end of year, were as follows:

	Ordinary shares of £0.25 each		Ordinary "A" shares of £0.01 each	
	31st July 2005	1st August 2004	31st July 2005	1st August 2004
Alexander Anderson*	28,321,916	28,090,594	351,361,618	341,920,540
Michael Loubser*	6,463,605	6,420,466	69,355,326	68,401,659
Roger Wood*	247,372	240,403	13,580,221	11,827,478

\*Non-executive directors

### Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### Employees

The board wish to thank all present and past employees and retired directors for their valuable assistance in supporting Vinopolis throughout the year.

### Supplier payment policy

The Company's policy for the year ending 31 July 2005 is to continue to pay its debts in accordance with the terms of its suppliers, and to take settlement discount where and when available. The number of days purchases represented by creditors at the end of the year was 104 (2004: 106).

# Wineworld London plc

## Report of the Directors for the year ended 31 July 2005

### (Continued)

#### 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 Group and Company and of the profit or loss of the Group 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; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

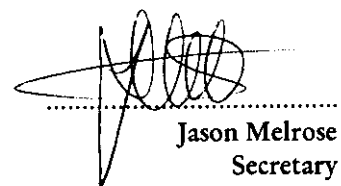
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditor

On 28 February 2005 our auditors, Blueprint Audit Limited changed their name to Tenon Audit Limited and have signed the audit report in their new name.

Tenon Audit Limited have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By Order of the Board



Jason Melrose  
Secretary

1 Bank End  
London  
SE1 9BU

Date: 24 November 2005

### Independent auditor's report to the members of Wineworld London plc

We have audited the financial statements of Wineworld London plc for the year ended 31 July 2005 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective Responsibilities of Directors and Auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with the 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 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 the information specified by law regarding directors' remuneration and transactions with the Group is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### 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 Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider 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 financial statements give a true and fair view of the state of the Group and Company's affairs as at 31 July 2005 and of the Group's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Tenon Audit Limited**  
Chartered Accountants and Registered Auditor  
Nottingham.

Date: 6 December 2005

# Wineworld London plc

## Consolidated Profit and Loss Account for the year ended 31st July 2005

		2005	2004
	Notes	£	£
<b>Turnover</b>	2	6,146,574	3,767,605
<b>Cost of sales</b>		(2,779,096)	(1,001,151)
<b>Gross profit</b>		3,367,478	2,766,454
<b>Administrative expenses</b>		(3,539,712)	(3,188,745)
<b>Share of operating profit in associate</b>		(172,234) 101,894	(422,291) 97,627
<b>Operating loss</b>	3	(70,340)	(324,664)
<b>Interest receivable</b>	4		
Group		9,374	2,382
Associate		2,422	-
		11,796	2,382
<b>Interest payable and similar charges</b>	5		
Group		(189,779)	(230,365)
Associate		(449)	(1,099)
		(190,228)	(231,464)
<b>Loss on ordinary activities before taxation</b>		(248,772)	(553,746)
<b>Taxation</b>	7	(22,316)	(20,050)
<b>Loss on ordinary activities after taxation</b>	16	(271,088)	(573,796)

There are no recognised gains or losses in the year other than the result for the year.

All amounts relate to continuing activities.

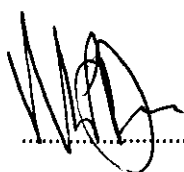
The notes on pages 9 to 19 form part of these financial statements.

# Wineworld London plc

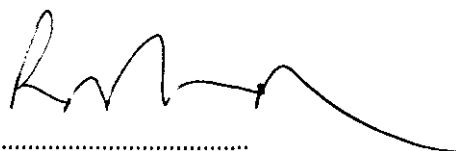
## Consolidated Balance Sheet as at 31st July 2005

		2005	2004
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	8	10,128,137	10,878,482
Investments	9	209,117	151,566
		<u>10,337,254</u>	<u>11,030,048</u>
<b>Current assets</b>			
Stock	10	30,260	30,585
Debtors	11	1,130,193	774,890
Cash at bank and in hand		255,996	38,688
		<u>1,416,449</u>	<u>844,163</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(2,543,986)</u>	<u>(2,118,662)</u>
<b>Net current liabilities</b>		<u>(1,127,537)</u>	<u>(1,274,499)</u>
<b>Total assets less current liabilities</b>		9,209,717	9,755,549
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(3,899,807)</u>	<u>(4,296,026)</u>
<b>Net assets</b>		<u><u>5,309,910</u></u>	<u><u>5,459,523</u></u>
<b>Capital and reserves</b>			
Called up share capital - equity interests	14	17,136,832	17,012,857
Share premium account	15	13,616,081	13,618,581
Profit and loss account	16	<u>(25,443,003)</u>	<u>(25,171,915)</u>
<b>Shareholders' funds</b>	17	<u><u>5,309,910</u></u>	<u><u>5,459,523</u></u>

Approved by the board on 24 November 2005 and signed on its behalf by:

  
.....

M Ball  
Director

  
.....

R Wood  
Director

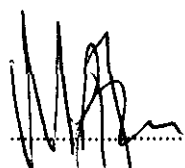
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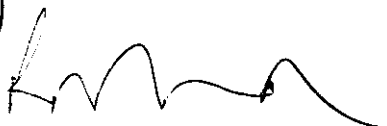
**Wineworld London plc**  
**Company balance sheet as at 31 July 2005**

		2005	2004
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	8	10,128,137	10,878,482
Investments	9	125,002	125,002
		<u>10,253,139</u>	<u>11,003,484</u>
<b>Current assets</b>			
Stock	10	30,260	30,585
Debtors	11	1,130,193	774,890
Cash at bank and in hand		255,994	38,686
		<u>1,416,447</u>	<u>844,161</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(2,543,986)</u>	<u>(2,118,662)</u>
<b>Net current liabilities</b>		<u>(1,127,539)</u>	<u>(1,274,501)</u>
<b>Total assets less current liabilities</b>		<u>9,125,600</u>	<u>9,728,983</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(3,899,807)</u>	<u>(4,296,026)</u>
<b>Net assets</b>		<u><u>5,225,793</u></u>	<u><u>5,432,957</u></u>
<b>Capital and reserves</b>			
Called up share capital - equity interests	14	17,136,832	17,012,857
Share premium account	15	13,616,081	13,618,581
Profit and loss account	16	(25,527,120)	(25,198,481)
<b>Shareholders' funds</b>	17	<u><u>5,225,793</u></u>	<u><u>5,432,957</u></u>

Approved by the board on 24 November 2005 and signed on its behalf by:



M Ball  
Director



R Wood  
Director

The notes on pages 9 to 19 form part of these financial statements.

**Wineworld London plc**  
**Consolidated cash flow statement for the year ended 31st July 2005**

		2005	2004
	Note	£	£
<b>Net cash inflow from operating activities</b>	20	590,474	499,843
<b>Returns on investments and servicing of finance</b>			
Interest received		9,374	2,382
Interest paid		(163,168)	(195,675)
Facility fees and other bank charges		(26,544)	(28,071)
Dividend received from associates		24,000	60,000
Interest element on finance lease rental payments		(67)	(6,619)
<b>Net cash outflow from returns and on investments and servicing of finance</b>		(156,405)	(167,983)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(34,238)	(16,810)
<b>Net cash outflow from capital expenditure and financial investments</b>		(34,238)	(16,810)
<b>Net cash inflow before financing</b>		399,831	315,050
<b>Financing</b>			
Issue of ordinary share capital	14	121,475	222,449
Repayment of bank loans	22	(300,000)	(250,000)
Capital element of finance lease rental payments	22	(47,381)	(59,870)
<b>Net cash outflow from financing</b>		(225,906)	(87,421)
<b>Increase in cash</b>	21	173,925	227,629

The notes on pages 9 to 19 form part of these financial statements.

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2005

### 1 Accounting Policies

#### Accounting basis and standards

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

#### Group accounts

These consolidated financial statements present information about the group. The company has taken advantage of the exemption under section 230 of the Companies Act 1985 from presenting its own profit and loss account.

#### Turnover

Turnover represents the invoiced value of goods sold and services provided net of value added tax.

#### Depreciation

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

Land and Buildings	2% straight line
Fit-out	4% straight line
Fit-out multimedia	15% straight line
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Office and computer equipment	25% to 33% straight line

#### Grants receivable

Grants related to expenditure on tangible assets are treated as deferred income and will be credited to the profit and loss account at the same rate as the depreciation on the assets to which the grants relate once the five year period in which there is a possibility of clawback has elapsed (see note 13).

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or subsequently enacted at the balance sheet date.

#### Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

#### Pension scheme arrangements

The company makes contributions to a defined contribution scheme, the assets of which are held separately from the assets of the company. The pension costs charge represents contributions payable to the scheme.

#### Leased assets

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

#### Investments

Investments in associate companies are capitalised in the balance sheet at the original purchase price. The share of results since acquisition are taken to the profit and loss account and to the carrying value in the balance sheet, in accordance with FRS9.

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2005

### (Continued)

#### 2 Turnover

Turnover is attributable to the principal activities of the Group which arose wholly in the United Kingdom.

	2005	2004
	£	£
Tour & other related income	2,000,662	1,808,177
Corporate hospitality	4,145,912	1,959,428
	<u>6,146,574</u>	<u>3,767,605</u>

The segmental information does not include profit before tax or net assets since, in the opinion of the directors, no meaningful segmentation can be made.

#### 3 Operating loss

	2005	2004
	£	£
<b>The operating loss is stated after charging:</b>		
Auditors' remuneration	12,000	11,845
Depreciation - owned tangible fixed assets	733,197	710,132
Depreciation - assets held under finance leases	51,386	61,752
	<u>796,583</u>	<u>783,729</u>

#### 4 Interest receivable

Bank Interest receivable	9,374	2,382
Share of associates interest receivable	2,422	-
	<u>11,796</u>	<u>2,382</u>

#### 5 Interest payable and similar charges

Bank loan and short term loan interest	163,168	195,675
Facility fees and other bank charges	26,544	28,071
Finance leases and hire purchase contracts	67	6,619
	<u>189,779</u>	<u>230,365</u>
Share of associates interest payable and similar charges	449	1,099
	<u>190,228</u>	<u>231,464</u>

#### 6 Directors and employees

	2005	2004
	£	£
Staff costs (including directors) during the year were as follows:		
Wages and salaries	1,179,628	1,138,825
Social security costs	117,108	105,480
Other Pension costs	10,244	12,712
	<u>1,306,980</u>	<u>1,257,017</u>

The average monthly number of persons employed by the group, including directors, during the year was 101 (2004: 88). At the end of the year the number of persons employed by the group was 108 (2004: 93)

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2005 (Continued)

### 6 Directors and employees (continued)

#### Directors emoluments:

	2005 £	2004 £
Directors' emoluments consist of :		
Fees and emoluments for management services	105,000	92,500
Group contributions to money purchase pension schemes	4,900	4,900
	<u>109,900</u>	<u>97,400</u>

### 7 Taxation

#### Analysis of charge in year

	2005 £	2004 £
Current tax:		
UK corporation tax at 30% (2004 - 30%)	-	-
Share of associates' current tax	23,220	19,992
Total current tax	<u>23,220</u>	<u>19,992</u>
Deferred tax:		
Deferred taxation	-	-
Share of associates' deferred tax	(904)	58
Total deferred tax	<u>(904)</u>	<u>58</u>
Total taxation	<u>22,316</u>	<u>20,050</u>

#### Factors affecting charge for the year

Loss on ordinary activities before tax	<u>(248,772)</u>	<u>(553,746)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	(74,632)	(166,124)
Effects of:		
Expenses not deductible for tax purposes	3,077	2,687
Depreciation for the year in excess of capital allowances	214,807	207,632
Relieved against losses brought forward	(112,092)	(15,237)
Difference between expected corporation tax rate and actual corporation tax rate on associates profits. (note 1)	(7,940)	(8,966)
Current charge for the year	<u>23,220</u>	<u>19,992</u>

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2005 (Continued)

### 7 Taxation (continued)

#### Note 1

The associate company has taxable profits which fall within the small companies tax rate band. As a consequence the associate company is actually paying tax at 19% of taxable profits.

#### Note 2

At 31 July 2005 the company had unrelieved tax losses of £13,733,314 to carry forward and utilise against future corporation tax liabilities. These losses give rise to an unprovided deferred tax asset of £4,119,994.

There are no known factors which may affect future tax charges.

### 8 Tangible assets

	Group and Company				
	Long lease land and buildings £	Fit-out £	Plant and machinery £	Fixtures fittings and equipment £	Total £
<b>Cost</b>					
At 1st August 2004	12,236,483	8,732,798	574,075	753,689	22,297,045
Additions	-	-	-	34,238	34,238
At 31st July 2005	12,236,483	8,732,798	574,075	787,927	22,331,283
<b>Depreciation</b>					
At 1st August 2004	5,100,988	5,112,220	474,126	731,229	11,418,563
Charge for the year	129,704	593,226	36,612	25,041	784,583
At 31st July 2005	5,230,692	5,705,446	510,738	756,270	12,203,146
<b>Net Book Value</b>					
At 31st July 2005	7,005,791	3,027,352	63,337	31,657	10,128,137
At 31st July 2004	7,135,495	3,620,578	99,949	22,460	10,878,482

The net book value of tangible assets includes an amount of £302,681 (2004: £353,966) in respect of assets held under finance leases and hire purchase contracts.

### 9 Fixed asset investments

The investments of the Group and Company were as follows:

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Subsidiary undertaking	-	-	2	2
Associate	209,117	151,566	125,000	125,000
At 31st July 2005	209,117	151,566	125,002	125,002

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2005 (Continued)

### 9 Fixed asset investments (continued)

#### Principal group investments

The parent company and the group have investments in the following subsidiary undertaking and associate which principally affected the profits or net assets of the group.

Name	County of Incorporation	Class of share	Proportion held	Nature of business
<b>Subsidiary undertaking</b>				
Vinopolis Limited	England	Ordinary	100%	Dormant
<b>Associate</b>				
Vinum Restaurant Company Limited	England	Ordinary "B"	40%	Restaurant & Wine Bars
<b>Subsidiary undertaking</b>			2005 £	2004 £
<b>Cost</b>				
As at 1 August 2004 and 31 July 2005			2	2
<b>Associate</b>			Group £	Company £
<b>Cost</b>				
As at 1 August 2004			176,566	125,000
Share of retained profit for the year			57,551	-
At 31 July 2005			234,117	125,000
<b>Amounts written off</b>				
At 1st August 2004 and 31st July 2005			25,000	-
<b>Net Book Value</b>				
At 31 July 2005			209,117	125,000
At 31st July 2004			151,566	125,000

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2005 (Continued)

### 10 Stocks

	Group and Company 2005 £	2004 £
Finished goods and goods for resale	30,260	30,585

### 11 Debtors

	£	£
Trade debtors	853,089	420,731
Other debtors	-	100,000
Prepayments and accrued income	277,104	254,159
	<u>1,130,193</u>	<u>774,890</u>

### 12 Creditors: Amounts falling due within one year

	£	£
Trade creditors	1,196,595	624,215
Social security and other taxes	120,486	265,047
Other creditors	2,609	4,444
Other loans	-	140,977
Bank overdraft	314,665	271,282
Bank of Scotland term loan	350,000	300,000
Obligations under finance leases and hire purchase contracts	46,226	47,388
Accruals and deferred income	513,405	465,309
	<u>2,543,986</u>	<u>2,118,662</u>

The overdraft with the Bank of Scotland is subject to the same terms on security and interest as those which apply to the loan described in note 13.

### 13 Creditors: Amounts falling due after more than one year

	£	£
Obligations under finance leases and hire purchase contracts	12,387	58,606
Deferred income grant	2,287,420	2,287,420
Bank of Scotland term loan	1,600,000	1,950,000
	<u>3,899,807</u>	<u>4,296,026</u>

The grant was provided by English Partnerships as funding for the refurbishment of the Company's properties. They are entitled to clawback payments equivalent to 50% of any increase in the open market value of the property either two years or five years following completion of the refurbishment works or on disposal, after taking into account any sums already paid. They have a floating and a fixed charge over the long leasehold land and buildings of the Company, both charges ranking behind Bank of Scotland and certain providers of funds to the Company.



# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2005 (Continued)

### 13 Creditors: Amounts falling due after more than one year (continued)

The Bank of Scotland term loan and overdraft are secured by means of a fixed and floating charge over the long leasehold land and buildings of the Company. The realisation value of the long leasehold land and buildings charged in favour of Bank of Scotland shall not be less than 150% of the amount of the facility outstanding at any time. The facility is repayable by yearly instalments so that the loan is repaid in full on or before 31 December 2008. The Company pays interest quarterly in arrears at an annual rate which is the sum of (1) the Margin (2.25%) and (2) the Bank of Scotland base rate as that fluctuates.

Borrowings are repayable as follows:

	Group and Company	
	2005	2004
	£	£
<b>Bank loans</b>		
Between one and two years	500,000	350,000
Between two and five years	1,100,000	1,600,000
	<hr/>	<hr/>
	1,600,000	1,950,000
On demand or within one year	350,000	300,000
	<hr/>	<hr/>
	1,950,000	2,250,000
	<hr/>	<hr/>
<b>Obligations under finance leases and hire purchase contracts</b>		
Between one and two years	12,387	58,606
On demand or within one year	46,226	47,388
	<hr/>	<hr/>
	58,613	105,994
	<hr/>	<hr/>

### 14 Share capital

	Group and Company	
	2005	2004
	£	£
<b>Authorised</b>		
50,624,408 (2004 - 50,624,408) ordinary shares of 25p each	12,656,102	12,656,102
734,389,800 (2004 - 734,389,800) "A" ordinary shares of 1p each	7,343,898	7,343,898
	<hr/>	<hr/>
	20,000,000	20,000,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
48,975,603 (2004 - 48,965,603) ordinary shares of 25p each	12,243,901	12,241,401
489,293,085 (2004 - 477,145,597) "A" ordinary shares of 1p each	4,892,931	4,771,456
	<hr/>	<hr/>
	17,136,832	17,012,857
	<hr/>	<hr/>

During the year the company issued 10,000 ordinary shares with a nominal value of £2,500 at a premium of £25,000 and 12,147,488 "A" ordinary shares with a nominal value of £121,475 at par.

Details of the terms and conditions attaching to all shares are detailed within the Articles of Association which are available from Companies House.

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2005 (Continued)

### 15 Share premium account

	Group and Company	
	2005	2004
	£	£
At 1st August 2004	13,618,581	13,618,581
Premium on issue of shares	25,000	-
Share issue expenses	(27,500)	-
	<u>13,616,081</u>	<u>13,618,581</u>

### 16 Profit and loss account

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
At 1st August 2004	(25,171,915)	(24,598,119)	(25,198,481)	(24,608,207)
Result for the year	(271,088)	(573,796)	(328,639)	(590,274)
At 31 July 2005	<u>(25,443,003)</u>	<u>(25,171,915)</u>	<u>(25,527,120)</u>	<u>(25,198,481)</u>

### 17 Reconciliation of movements in shareholders' funds

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Result for the year	(271,088)	(573,796)	(328,639)	(590,274)
Share issue	96,475	222,449	96,475	222,449
Net reduction from shareholders' funds	<u>(174,613)</u>	<u>(351,347)</u>	<u>(232,164)</u>	<u>(367,825)</u>
Opening shareholders' funds	5,459,523	5,810,870	5,432,957	5,800,782
Closing shareholders' funds	<u>5,284,910</u>	<u>5,459,523</u>	<u>5,200,793</u>	<u>5,432,957</u>

# Wineworld London plc

## Notes to the financial statements for the year ended 31 July 2005 (Continued)

### 18 Transactions with directors and related party transactions

- (a) Thistledown Investments Limited, a leasing company owned by Alexander Anderson - the non executive chairman, provided finance by way of leases and fully repayable loans to the company during the year on commercial terms standard to finance companies.

	2005 £	2004 £
During the year the following transactions took place:		
Plant and machinery leasing	40,894	35,491
Leasing interest	9,098	10,553
Consultancy	33,000	25,655
Loan interest and fees	2,767	22,493
<b>Total transactions</b>	<b>85,759</b>	<b>94,192</b>

At the year end there were amounts outstanding to Thistledown Investments Limited of:

Creditors: Amounts falling due within one year		
Trade creditors	-	17,334
Accruals and deferred income	5,250	13,281
Obligations under finance leases and hire purchase contracts	46,226	40,894
Other loans	-	139,982
	<b>51,476</b>	<b>211,491</b>
Creditors: Amounts falling after one year		
Obligations under finance leases and hire purchase contracts	12,387	58,606

- (b) Roger Wood and Leybourne Securities Limited, a company owned by Roger Wood - a non executive director, provided finance by way of fully repayable loans to the Company during the year on commercial terms.

	2005 £	2004 £
During the year the following transactions took place:		
Consultancy	10,000	7,500
<b>Total transactions</b>	<b>10,000</b>	<b>7,500</b>

At the year end there were amounts outstanding to Leybourne Securities Limited of:

Creditors: Amounts falling due within one year		
Trade creditors	-	1,402
Accruals and deferred income	5,833	10,000
	<b>5,833</b>	<b>11,402</b>

# Wineworld London plc

## Notes to the financial statements for the year ended 31 July 2005 (Continued)

### 18 Transactions with directors and related party transactions (continued)

- (c) Michael Loubser and G.R.T. Holdings Limited, a company controlled by Michael Loubser - a non executive director, provided finance by way of fully repayable loans to the Company during the year on commercial terms.

	2005 £	2004 £
During the year the following transactions took place:		
Consultancy	10,000	7,500
Loan Interest and Fees	-	850
	<hr/>	<hr/>
<b>Total transactions</b>	<b>10,000</b>	<b>8,350</b>
	<hr/>	<hr/>
At the year end there were amounts outstanding to G.R.T. Holdings Limited of:		
Creditors: Amounts falling due within one year		
Trade creditors	-	3,750
Accruals and deferred income	833	1,475
Other loans	-	995
	<hr/>	<hr/>
	<b>833</b>	<b>6,220</b>
	<hr/>	<hr/>

- (d) During the year the company traded with Vinum Restaurant Company Limited, a company in which Wineworld London plc is a shareholder.

	2005 £	2004 £
During the year the following transactions were made to/(from) Vinum Restaurant Company Limited:		
Rent received	226,198	215,024
Utility recharges	62,288	49,115
Sales	1,735	9,728
Plant and Machinery Leasing	(6,488)	(23,931)
Leasing Interest	(67)	(2,289)
Purchases	(106,360)	(100,519)
	<hr/>	<hr/>
<b>Total transactions</b>	<b>177,306</b>	<b>147,128</b>
	<hr/>	<hr/>

The year end balances include the following amounts due from/(to) Vinum Restaurant Company Limited:

Debtors		
Trade debtors	54,389	33,444
	<hr/>	<hr/>
Creditors: Amounts falling due within one year		
Accruals and deferred income	(10,853)	-
Obligations under finance leases and hire purchase contracts	-	(6,494)
	<hr/>	<hr/>
	<b>(10,853)</b>	<b>(6,494)</b>
	<hr/>	<hr/>

All these transactions were undertaken at arms length.

# Wineworld London plc

## Notes to the financial statements for the year ended 31 July 2005 (Continued)

### 19 Pension commitments

The company makes contributions to a defined contribution scheme, the assets of the scheme being held separately from the assets of the Company. The pension cost charge represents contributions payable to the scheme and amounted to £10,244 (2004: £12,712). There were no outstanding contributions at the year end.

### 20 Reconciliation of operating loss to net cash inflow from operating activities

	2005 £	2004 £
Operating loss	(70,340)	(324,664)
Share of associate operating profit	(101,894)	(97,627)
Depreciation -		
Owned tangible assets	733,197	710,132
Assets held under finance leases	51,386	61,752
Decrease in stock	325	37,155
(Increase)/decrease in debtors	(355,303)	(179,238)
Increase/(decrease) in creditors	333,103	292,333
	<hr/>	<hr/>
Net cash inflow from operating activities	590,474	499,843
	<hr/>	<hr/>

### 21 Reconciliation of net cash flow to the movement in net debt

	2005 £	2004 £
Increase in cash in the year	173,925	227,629
Cash outflow from decrease in debt and lease financing	347,381	309,870
	<hr/>	<hr/>
Change in net debt resulting from cash flows	521,306	537,499
New finance leases	-	(126,675)
Net debt at 1st August 2003	(2,588,588)	(2,999,412)
	<hr/>	<hr/>
Net debt at 31st July 2004	(2,067,282)	(2,588,588)
	<hr/>	<hr/>

### 22 Analysis of changes in net debt

	At 1st August 2004 £	Cash flow £	Other non-cash changes £	At 31st July 2005 £
Net overdraft and cash in hand	(232,594)	173,925	-	(58,669)
Finance leases	(105,994)	47,381	-	(58,613)
Debt due within one year	(300,000)	300,000	(350,000)	(350,000)
Debt due after one year	(1,950,000)	-	350,000	(1,600,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	(2,588,588)	521,306	-	(2,067,282)
	<hr/>	<hr/>	<hr/>	<hr/>