

2663676

**WINEWORLD LONDON PLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST JULY 2001**



# Wineworld London plc

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# Wineworld London plc

## Company Information

### Directors

Alexander Anderson (Chairman)

Leslie Fry

Michael Loubser

John Lowther

Roger Wood

### Secretary

Leslie Fry

### Registered Office

1 Bank End

London

SE1 9BU

### Company Number

2663676

### Bankers

Bank of Scotland

38 Threadneedle Street

London

EC2P 2EH

### Auditors

Blueprint Audit Limited

Foxhall Lodge

Gregory Boulevard

Nottingham. NG7 6LH

# Wineworld London plc

## Report of the Directors for the year ended 31 July 2001

The directors present their report and financial statements for the year ended 31 July 2001.

### 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 in this second trading year compared with the first trading year the directors regard the results for this year as acceptable and are reasonably confident of future prospects.

### Results and dividend

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

The directors do not recommend the payment of a dividend (Period ended 31 July 2000 - 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:

	Appointed	Resigned	Ordinary shares of £0.25 each	
			31st July 2001	1st August 2000
Sir Thomas Macpherson	29.03.96	31.08.00	-	120,000
Alexander Anderson*	30.09.98		28,090,594	11,290,594
Catharine Hampton	19.10.99	31.08.00	-	-
Simon Wood	01.03.99	31.08.00	-	4,500
John Lowther**	23.03.99		5,554	5,554
Roger Wood*	04.02.97		240,403	240,403
Michael Broadbent	01.03.97	31.08.00	-	22,000
Leslie Fry	06.07.01		4,021	-
Michael Loubser*	23.08.00		6,395,466	-

At the year end, the following directors held options to subscribe for ordinary shares under the Share Option Plan:

Director	Number of Ordinary Shares under option	Exercise price per Ordinary Share	First exercise date	Expiry Date
Roger Wood*	333,332	120p	18.06.2000	18.06.2004
	180,000	25p	31.12.2003	31.12.2003
John Lowther	260,000	25p	01.07.2000	01.07.2004
	280,000	25p	01.07.2001	01.07.2005
	360,000	25p	01.07.2002	01.07.2006
Leslie Fry	84,000	25p	01.07.2000	01.07.2005
	105,000	25p	01.07.2001	01.07.2006
	105,000	25p	01.07.2002	01.07.2007

\*Non -executive directors

\*\* Became non-executive director 31 July 2001

### EMU Impact

Having reviewed its commercial and accounting transactions, the Group is managing the impact of the single currency.

# Wineworld London plc

## Report of the Directors for the year ended 31 July 2001 (Continued)

### 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.

### 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;
- ▶ state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

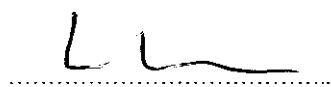
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

### Auditors

The Group's previous auditors, PricewaterhouseCoopers, resigned from office during the year.

In accordance with the Companies Act 1985 Blueprint Audit Limited were appointed auditors to the company for the period ended 31 July 2001 by an ordinary resolution of the board of directors. It is proposed that they be reappointed auditors for the ensuing year.

By Order of the Board

  
.....  
Leslie Fry  
Secretary

1 Bank End  
London  
SE1 9BU

Date: 21 May 2002



**Blueprint**  
**Audit**

**Wineworld London plc**  
**Report of the Auditor**

Chartered Accountants and Registered Auditor

**Independent auditors report to the shareholders of Wineworld London plc**

We have audited the financial statements of Wineworld London plc for the year ended 31 July 2001 which comprise of 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.

**Respective Responsibilities of Directors and Auditors**

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 Statement of Directors Responsibilities.

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 other information comprises 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 2001 and of the Group's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Blueprint Audit Limited**  
Chartered Accountants  
and Registered Auditor  
Foxhall Lodge  
Gregory Boulevard  
Nottingham. NG7 6LH

Date: 21 May 2002

# Wineworld London plc

## Consolidated Profit and Loss Account for the year ended 31st July 2001

		Year ended 31 July 2001	16 months ended 31 July 2000
	Notes	£	£
Turnover	2	4,125,086	3,820,595
Cost of sales		<u>(789,049)</u>	<u>(969,127)</u>
<b>Gross profit</b>		3,336,037	2,851,468
Administrative expenses		<u>(4,841,237)</u>	<u>(10,010,182)</u>
- exceptional impairment charge	3	-	<u>(4,217,952)</u>
		(4,841,237)	(14,228,134)
Share of operating profit in associate		11,284	24,113
		<u>                    </u>	<u>                    </u>
<b>Operating loss</b>	3	(1,493,916)	(11,352,553)
Interest receivable and similar income	4	8	33,476
Interest payable and similar charges	5	(827,104)	(851,352)
		<u>                    </u>	<u>                    </u>
<b>Loss on ordinary activities before tax</b>		(2,321,012)	(12,170,429)
Taxation	7	-	-
		<u>                    </u>	<u>                    </u>
<b>Loss on ordinary activities before taxation and after taxation</b>	16	<u><u>(2,321,012)</u></u>	<u><u>(12,170,429)</u></u>

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

All amounts relate to continuing activities

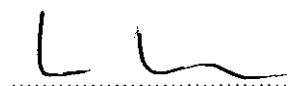
The notes on pages 9 to 18 form part of these financial statements.

# Wineworld London plc


## Consolidated Balance Sheet as at 31st July 2001

		2001	2000
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	8	12,885,253	13,209,386
Investments	9	160,397	149,113
		<u>13,045,650</u>	<u>13,358,499</u>
<b>Current assets</b>			
Stock	10	102,500	218,726
Debtors	11	357,047	2,499,625
Cash at bank and in hand		-	-
		<u>459,547</u>	<u>2,718,351</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(3,619,755)</u>	<u>(3,759,824)</u>
<b>Net current liabilities</b>		(3,160,208)	(1,041,473)
<b>Total assets less current liabilities</b>		<u>9,885,442</u>	<u>12,317,026</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	(6,154,066)	(11,633,560)
<b>Net assets</b>		<u><u>3,731,376</u></u>	<u><u>683,466</u></u>
<b>Capital and reserves</b>			
Called up share capital - equity interests	14	12,214,257	7,078,550
Share premium account	15	13,773,225	13,540,010
Profit and loss account	16	(22,256,106)	(19,935,094)
<b>Shareholders' funds</b>	17	<u><u>3,731,376</u></u>	<u><u>683,466</u></u>

Approved by the board on 21 May 2002  
and signed on its behalf by:

  
.....

**L Fry**  
Director

  
.....

**A Anderson**  
Director

The notes on pages 9 to 18 form part of these financial statements.



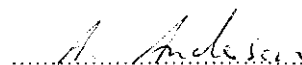
**Wineworld London plc**  
**Company balance sheet as at 31 July 2001**

		2001	2000
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	8	12,885,253	13,209,386
Investments	9	125,006	125,006
		<u>13,010,259</u>	<u>13,334,392</u>
<b>Current assets</b>			
Stock	10	102,500	218,726
Debtors	11	357,047	2,499,625
Cash at bank and in hand		-	-
		<u>459,547</u>	<u>2,718,351</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(3,619,761)</u>	<u>(3,759,830)</u>
<b>Net current liabilities</b>		(3,160,214)	(1,041,479)
<b>Total assets less current liabilities</b>		<u>9,850,045</u>	<u>12,292,913</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	(6,154,066)	(11,633,560)
<b>Net assets</b>		<u><u>3,695,979</u></u>	<u><u>659,353</u></u>
<b>Capital and reserves</b>			
Called up share capital - equity interests	14	12,214,257	7,078,550
Share premium account	15	13,773,225	13,540,010
Profit and loss account	16	(22,291,503)	(19,959,207)
<b>Shareholders' funds</b>	17	<u><u>3,695,979</u></u>	<u><u>659,353</u></u>

Approved by the board on 21 May 2002  
and signed on its behalf by:

  
.....

**L Fry**  
Director

  
.....

**A Anderson**  
Director

The notes on pages 9 to 18 form part of these financial statements.

**Wineworld London plc**  
**Consolidated cash flow statement for the year ended 31st July 2001**

		Year ended 31 July 2001		16 months ended 31 July 2000	
	Note	£	£	£	£
Net cash inflow/(outflow) from operating activities	21		1,723,347		(6,023,640)
<b>Returns on investments and servicing of finance</b>					
Interest received		8		33,476	
Interest paid		(580,991)		(712,997)	
Facility fees and other bank charges		(28,745)		(96,155)	
Interest element on finance lease rental payments		(217,368)		(42,200)	
Net cash outflow from returns and on investments and servicing of finance			(827,096)		(817,876)
<b>Capital expenditure and financial investment</b>					
Payments to acquire intangible fixed assets		-		(26,575)	
Purchase of subsidiary and associated undertakings		-		(125,000)	
Payments to acquire tangible fixed assets		(412,150)		(10,034,854)	
Sale of tangible fixed assets		7,320		-	
Net cash outflow from capital expenditure and financial investments			(404,830)		(10,186,429)
Net cash inflow/(outflow) before financing			491,421		(17,027,945)
<b>Financing</b>					
Issue of ordinary share capital		5,368,922		9,071,998	
(Decrease)/Increase in short term borrowings	23	(250,000)		250,000	
Increase in long term borrowings		-		3,500,000	
(Decrease)/Increase in convertible loan stock	23	(5,075,000)		5,575,000	
Increase in deferred income grant		-		72,300	
Replacement of short term borrowings		-		(2,600,000)	
Capital element of finance lease rental payments	23	(638,550)		(177,369)	
Net cash (outflow)/inflow from financing			(594,628)		15,691,929
Decrease in Cash	22		(103,207)		(1,336,016)

The notes on pages 9 to 18 form part of these financial statements.

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2001

### 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

#### 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	Over the 60 yr lease term
Fit-out	4% straight line
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Office and computer equipment	25% to 33% straight line
Patents and Trademarks	10% 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

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, in full, in accordance with FRS19.

#### 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.

#### 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.

#### 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 2001 (Continued)

### 2 Turnover

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

	Year ended 31 July 2001	16 months ended 31 July 2000
	£	£
Tour & other related income	2,222,900	2,281,063
Corporate hospitality	1,902,186	1,539,532
	<u>4,125,086</u>	<u>3,820,595</u>

The segmental information does not include Net Assets since, in the opinion of the directors, no meaningful segmentation would be appropriate.

### 3 Operating Loss

	Year ended 31 July 2001	16 months ended 31 July 2000
	£	£
<b>The operating loss is stated after charging:</b>		
Auditors' remuneration	11,500	18,291
Amortisation - intangible assets	-	25,522
Depreciation - owned tangible fixed assets	530,896	1,372,119
Depreciation - assets held under finance leases	239,931	68,996
Impairment write down on intangible and tangible assets	-	4,217,952
	<u>-</u>	<u>4,217,952</u>

The exceptional impairment charge on intangible and tangible assets consists of:

Exceptional impairment write down on intangible assets	-	262,795
Exceptional impairment charge on tangible assets:		
- Long lease land and buildings	-	1,446,955
- Fit-out	-	2,508,202
	<u>-</u>	<u>4,217,952</u>

### 4 Interest Receivable

Bank Interest receivable	8	33,476
	<u>8</u>	<u>33,476</u>

### 5 Interest Payable and Similar Charges

Bank loan and short term loan interest	528,515	468,621
Convertible loan stock interest	52,476	244,376
Facility fees and other bank charges	28,745	96,155
Finance leases and hire purchase contracts	217,368	42,200
	<u>827,104</u>	<u>851,352</u>

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2001 (Continued)

### 6 Directors and employees

	Year ended 31 July 2001 £	16 months ended 31 July 2000 £
Staff costs (including directors) during the year were as follows:		
Wages and salaries	1,684,990	2,601,808
Social security costs	140,877	266,035
Other Pension costs	54,992	83,862
	<u>1,880,859</u>	<u>2,951,705</u>

The average monthly number of persons employed by the group, including directors, during the year was 83 (period ended 31 July 2000: 96). At the end of the year the number of persons employed by the group was 69 (31 July 2000: 88)

#### Directors emoluments:

Directors' emoluments consist of :

Fees and emoluments for management services	169,452	905,020
Compensation for loss of office	61,080	-
Group contributions to money purchase pension schemes	8,771	22,800
	<u>239,303</u>	<u>927,820</u>

The highest paid director during the year received aggregate emoluments in respect of qualifying services of £86,407 (2000 - £213,333), and he exercised no share options in this period. The Group paid £8,250 (2000 - £22,800) on contributions to a money purchase pension scheme in respect of the highest paid director's qualifying services.

### 7 Taxation - Group and company

No corporation tax liability arises in the year due to the losses incurred, (period ended 31 July 2000: nil)

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2001 (Continued)

### 8 Tangible Assets

	Group and Company				
	Long Lease Land and Buildings £	Fit-out £	Plant and Machinery £	Fixtures and Fittings £	Total £
<b>Cost</b>					
At 1st August 2000	12,082,200	8,398,627	434,948	676,119	21,591,894
Additions	154,283	267,641	-	32,090	454,014
Disposals	-	-	(7,320)	-	(7,320)
At 31st July 2001	12,236,483	8,666,268	427,628	708,209	22,038,588
<b>Depreciation</b>					
At 1st August 2000	4,582,200	3,315,457	147,984	336,867	8,382,508
Charge for the year	129,697	346,735	106,907	187,488	770,827
At 31st July 2001	4,711,897	3,662,192	254,891	524,355	9,153,335
<b>Net Book Value</b>					
At 31st July 2001	7,524,586	5,004,076	172,737	183,854	12,885,253
At 31st July 2000	7,500,000	5,083,170	286,964	339,252	13,209,386

The net book value of tangible assets includes an amount of £608,241 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	
	2001 £	2000 £	2001 £	2000 £
Subsidiary undertakings	-	-	6	6
Associates	160,397	149,113	125,000	125,000
At 31st July 2001	160,397	149,113	125,006	125,006

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2001 (Continued)

### 9 Fixed asset investments (continued)

#### Principal group investments

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

Name	County of Incorporation	Class of share	Proportion held	Nature of business
Subsidiary undertakings				
Vinopolis Limited	England	Ordinary	100%	Dormant
WWSB Limited	England	Ordinary	100%	Dormant
Wineworld Limited	England	Ordinary	100%	Dormant
Associates				
Vinum Restaurant Company Limited	England	Ordinary "B"	40%	Reastaurant & Wine Bars

#### Subsidiary undertakings

	2001 £	2000 £
Cost		
At 1 August 2000	6	6
Additions	-	-
Diasposals	-	-
At 31 July 2001	<u>6</u>	<u>6</u>

#### Associates

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Cost				
At 1 August 2000	149,113	-	125,000	-
Additions	-	125,000	-	125,000
Share of retained profit for the year	11,284	24,113	-	-
At 31 July 2001	<u>160,397</u>	<u>149,113</u>	<u>125,000</u>	<u>125,000</u>

### 10 Stocks

	Group and Company	
	2001 £	2000 £
Finished goods and goods for resale	<u>102,500</u>	<u>218,726</u>

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2001 (Continued)

### 11 Debtors

	Group and Company	
	2001	2000
	£	£
Trade debtors	166,881	549,034
Other debtors	-	1,831,476
Prepayments and accrued income	190,166	119,115
	<u>357,047</u>	<u>2,499,625</u>

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

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade creditors	858,065	1,395,678	858,065	1,395,678
Social security and other taxes	120,230	920	120,230	920
Other creditors	764,433	18,776	764,439	18,782
Bank overdraft	370,381	267,174	370,381	267,174
Bank of Scotland term loan	250,000	-	250,000	-
Convertible loan stock	-	250,000	-	250,000
Obligations under finance leases and hire purchase contracts	473,059	840,251	473,059	840,251
Accruals and deferred income	783,587	987,025	783,587	987,025
	<u>3,619,755</u>	<u>3,759,824</u>	<u>3,619,761</u>	<u>3,759,830</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

	Group and Company	
	2001	2000
	£	£
Obligations under finance leases and hire purchase contracts	41,646	271,140
Deferred income grant	2,287,420	2,287,420
Bank of Scotland term loan	3,250,000	3,500,000
Convertible loan stock	500,000	5,575,000
Other creditors	75,000	-
	<u>6,154,066</u>	<u>11,633,560</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 lease land and buildings of the Company, both charges ranking behind Bank of Scotland and certain providers of funds to the Company.

The Bank of Scotland term loan and overdraft are secured by means of a fixed and floating charge over the long lease land and buildings of the Company. The realisation value of the long lease 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 equal quarterly instalments of £250,000 commencing 30 June 2002 so that the loan is repaid in full on or before 30 September 2005. 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.

The convertible loan stock is convertible in whole or in part into ordinary shares at the rate of 25pence nominal value of convertible loan stock per ordinary share. They are repayable on or before 27 May 2004 and are secured by means of a legal charge over the long leasehold land and buildings of the company ranking behind the Bank of Scotland security, and in certain circumstances behind English Partnerships.



# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2001 (Continued)

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

Borrowings are repayable as follows:

	Group and Company	
	2001	2000
	£	£
<b>Bank loans</b>		
Between one and two years	1,000,000	750,000
Between two and five years	2,250,000	2,750,000
After five years	-	-
	<hr/>	<hr/>
	3,250,000	3,500,000
On demand or within one year	250,000	-
	<hr/>	<hr/>
	3,500,000	3,500,000
	<hr/>	<hr/>
<b>Obligations under finance leases and hire purchase contracts</b>		
Between one and two years	32,873	271,140
Between two and five years	8,773	-
After five years	-	-
	<hr/>	<hr/>
	41,646	271,140
On demand or within one year	473,059	840,251
	<hr/>	<hr/>
	514,705	1,111,391
	<hr/>	<hr/>

### 14 Share capital

	Group and Company	
	2001	2000
	£	£
<b>Authorised</b>		
80,000,000 (2000 - 80,000,000) ordinary shares of 25p each	20,000,000	20,000,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
48,857,028 (2000 - 28,314,196) ordinary shares of 25p each	12,214,257	7,078,550
	<hr/>	<hr/>

During the year the company issued 20,542,832 ordinary shares with a nominal value of £5,135,707 at par. The £233,215 increase in the share premium account relates to prior year share issues.

### 15 Share Premium account

	Group and Company	
	2001	2000
	£	£
At 1 August 2000	13,540,010	9,145,141
Share issue expenses	-	(370,710)
Share issue	233,215	4,765,579
	<hr/>	<hr/>
At 31 July 2001	13,773,225	13,540,010
	<hr/>	<hr/>

# Wineworld London plc

## Notes to the Financial Statements for the year ended 31st July 2001 (Continued)

### 16 Profit and loss account

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
At 1 August 2000	(19,935,094)	(7,764,665)	(19,959,207)	(7,764,665)
Result for the year/period	(2,321,012)	(12,170,429)	(2,332,296)	(12,194,542)
At 31 July 2001	(22,256,106)	(19,935,094)	(22,291,503)	(19,959,207)

### 17 Reconciliation of movements in shareholders' funds

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Result for the year/period	(2,321,012)	(12,170,429)	(2,332,296)	(12,194,542)
Share issue expenses	-	(370,710)	-	(370,710)
Share issue	5,368,922	9,442,708	5,368,922	9,442,708
Net (reduction from)/addition to shareholders' funds	3,047,910	(3,098,431)	3,036,626	(3,122,544)
Opening shareholders' funds	683,466	3,781,897	659,353	3,781,897
Closing shareholders' funds	3,731,376	683,466	3,695,979	659,353

### 18 Capital Commitments

At 31 July 2001 the group and company had £nil (Period ended 31 July 2000 £nil) contracted capital commitments.

### 19 Transactions With Directors and Related Party Transactions

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.

	£
During the period the following transactions took place:-	
Plant and Machinery Leasing	468,234
Leasing Interest	37,724
Consultancy	97,500
Loan Interest	36,385
<b>Total Transactions</b>	<b>639,843</b>

Plant and machinery purchased on finance lease from Thistledown Investments Limited totalled £41,864 during the period. At the period end there were amounts outstanding to Thistledown Investments Limited of:

Creditors: Amounts falling due within one year	
Trade creditors	108,513
Accruals	23,682
Obligations under finance leases and hire purchase contracts	445,377
	<u>577,572</u>
Creditors: Amounts falling due after one year	
Obligations under finance leases and hire purchase contracts	31,127
	<u>31,127</u>

These transactions were on normal commercial terms and undertaken at arms length.

# Wineworld London plc

## Notes to the financial statements for the year ended 31 July 2001 (Continued)

### 19 Transactions With Directors and Related Party Transactions (continued)

During the year the company made sales of £328,130 and purchased services of £87,680 from Vinum Restaurant Company Limited in which the company is a shareholder.  
All these transactions were undertaken at arms length.  
The year end balances include the following amounts due from/(to) Vinum Restaurant Company Limited:

	£
Trade debtors	8,055
Prepayments and accrued income	19,853
Accruals	(9,167)

At 31 July 2001, the following amounts were owed to the directors (and/or their associates) of the company:

	£
Alexander Anderson	705,000
Michael Loubser	120,000
Roger Wood	10,000

The company pays interest on these at 25% p.a. convertible into shares at 5p. The loans are repayable at the earliest opportunity or by 30 November 2002 at the latest, at which time the respective directors have the option to convert into ordinary shares at 5p.

### 20 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 £54,992 (2000: £83,862). Contributions to the scheme totalling £4,439 (2000: £13,741) were payable to the scheme and are included in the creditors due within one year. The outstanding contributions were paid August 2001.

### 21 Reconciliation of operating loss to net cash outflow from operating activities

	Year ended 31 July 2001 £	16 months ended 31 July 2000 £
Operating loss	(1,493,916)	(11,352,553)
Share of associate	(11,284)	(24,113)
Depreciation -		
Owned tangible assets	530,896	1,731,454
Assets held under finance leases	239,931	68,996
Amortisation of intangible assets	-	25,522
Impairment write down of intangible assets	-	262,795
Impairment charge of tangible assets	-	3,955,157
Decrease/(increase) in stock	116,226	(93,438)
Decrease/(increase) in debtors	2,142,578	(1,794,041)
Increase in creditors	198,916	1,196,581
Net cash inflow/(outflow) from operating activities	<u>1,723,347</u>	<u>(6,023,640)</u>

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

Decrease in cash in the year	(103,207)	(1,336,016)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	5,963,550	(6,547,631)
Change in net debt resulting from cash flows	<u>5,860,343</u>	<u>(7,883,647)</u>
New finance leases	(41,864)	(1,164,475)
Net debt at 1st August 2000	(10,703,565)	(1,655,443)
Net debt at 31st July 2001	<u>(4,885,086)</u>	<u>(10,703,565)</u>

# Wineworld London plc

## Notes to the financial statements for the year ended 31 July 2001 (Continued)

### 23 Analysis of Changes in Net Debt

	At 1st August 2000 £	Cash flow £	Other non-cash changes £	At 31st July 2001 £
Cash at bank	(267,174)	(103,207)	-	(370,381)
Finance leases	(1,111,391)	638,550	(41,864)	(514,705)
Debt due within one year	(250,000)	250,000	(250,000)	(250,000)
Debt due after one year	(9,075,000)	5,075,000	250,000	(3,750,000)
	<u>(10,703,565)</u>	<u>5,860,343</u>	<u>(41,864)</u>	<u>(4,885,086)</u>

### 24 Major Non-cash Transactions

During the period, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £41,864 (2000 - £1,164,475).