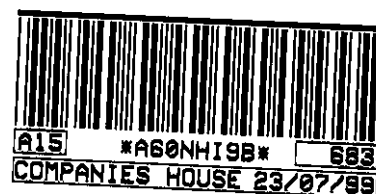


WINEWORLD LONDON PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 1999



Wineworld London plc

Company Information

Directors

Sir Thomas Macpherson (Chairman)

Alexander Anderson

Anthony Hodges

Simon Wood

John Lowther

Duncan Vaughan-Arbuckle

Roger Wood

Michael Broadbent

Secretary

Simon Conroy

Registered Office

Devonshire House

60 Goswell Road

London

EC1M 7AD

Company Number

2663676

Bankers

Allied Irish Bank

10 Berkeley Square

London

W1X 6DN

Bank of Scotland

38 Threadneedle Street

London

EC2P 2EH

Auditors

Kingston Smith

Devonshire House

60 Goswell Road

London

EC1M 7AD

Wineworld London plc

Report of the Directors

The directors present their report and financial statements for the year ended 31st March 1999.

Principal activity and business review

The company traded during the period, receiving revenues from sales of wine and deposits for the hire of areas of Vinopolis - City of Wine for events. Wineworld is well on the way to the creation of London's first visitor attraction dedicated to the world of wine and its associated activities in a multi-faceted leisure complex on the south bank of the River Thames in Southwark, London, to be known as Vinopolis - City of Wine. The major feature of Vinopolis will be the Wine Odyssey, a pay-to-enter audio-visual tour of the world's wine regions, cultures, history and flavours, aimed principally at adults and culminating in tasting halls. Vinopolis will also provide restaurants, a coffee house/wine bar, retail facilities, corporate hospitality venues and a variety of educational, training and subscription services open to the wider public.

The results for the year and the financial position at the year end were considered satisfactory with respect to the stage of the development of the project by the directors and they expect considerable growth from 23rd July 1999 when the attraction opens.

Results and dividend

The results of the company for the year are set out on page 4.

The directors do not recommend the payment of a dividend as the funds of the company are currently fully employed in the development of the project.

Fixed assets

The directors have become aware throughout the final stages of the development of the project that the sums being expended on the fabric of the properties by way of shell and core spend, when capitalised in the balance sheet as tangible assets, are in excess of the current open market value of the properties.

The properties were valued by Matthews & Goodman, Chartered Surveyors, on 8th June 1998 as having an open market value of £7,250,000. This valuation was reconfirmed on 19th October 1998. At the date of the assessment of the directors, the value of the properties in the balance sheet needed to be written down by £2,557,555. This write down has been taken to the profit and loss account and is disclosed in note 8 to the financial statements.

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 the year, were as follows:

	Appointed	Ordinary shares of £0.25 each	
		31st March 1999	1st April 1998
Sir Thomas Macpherson (Chairman)	29.03.96	60,000	50,000
Alexander Anderson (Non-executive Deputy Chairman)	30.09.98	2,686,166	-
Anthony Hodges (Non-executive Deputy Chairman)	29.02.96	398,933	432,933
Simon Wood (Chief Executive)	01.03.99	4,500	-
John Lowther	23.03.99	2,777	2,777
Duncan Vaughan-Arbuckle	20.03.92	363,695	404,872
Roger Wood	04.02.97	173,413	146,943
Michael Broadbent (Non-executive Director)	01.03.97	5,000	5,000

Details of directors' share options are disclosed in note 5 to the financial statements.

Sir Thomas Macpherson is the Chairman and Alexander Anderson and Michael Broadbent are the other members of the remuneration committee and the audit committee of the company.

Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing terms of each transaction, ensure that suppliers are made aware of the terms of payment and maintain good working relationships with them.

Wineworld London plc

Report of the Directors

The Year 2000

Assuring the ongoing operation of our business and computer systems into the next millennium is a key focus of the directors. A comprehensive review of all the systems is being carried out to ensure that:

- (1) all business and computer systems will correctly process future dates; and
- (2) our trading relationships with suppliers and customers will continue to operate without disruption.

This includes systems with embedded chips. Certificates are being procured from suppliers where available.

The total estimated costs of these reviews have not been quantified but are not expected to be material.

Auditors

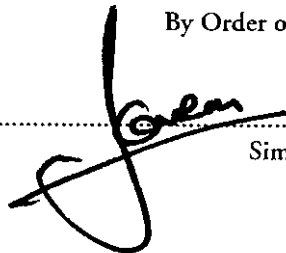
Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed that they be re-appointed auditors to the company for the ensuing year.

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date:

21 July 1999.

By Order of the Board

.....

Simon Conroy
Secretary

Wineworld London plc

Directors' Responsibilities and Report of the Auditors

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 select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

Auditors' Report to the Members of Wineworld London plc

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described above, 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 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 financial statements give a true and fair view of the state of the company's affairs as at 31st March 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kingston Smith
Kingston Smith
Chartered Accountants
and Registered Auditors

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 21-7-99

Wineworld London plc
Profit and Loss Account
For the year ended 31st March 1999

	Note	1999 £	1998 £
Turnover	2	110,577	93,668
Cost of sales		<u>(17,203)</u>	<u>(82,915)</u>
Gross profit		93,374	10,753
Administrative expenses		<u>(3,235,472)</u>	<u>(1,387,304)</u>
Operating loss before impairment charge on tangible fixed assets	3	(3,142,098)	(1,376,551)
Exceptional item - Impairment charge on tangible fixed assets	8	<u>(2,557,555)</u>	<u>-</u>
Operating loss		(5,699,653)	(1,376,551)
Exceptional item - premium on early settlement of debt		(500,000)	-
Interest receivable and similar income		94,596	79,754
Interest payable and similar charges	4	<u>(47,012)</u>	<u>(53,594)</u>
Loss on ordinary activities before taxation		(6,152,069)	(1,350,391)
Taxation	6	<u>-</u>	<u>-</u>
Retained loss transferred to reserves	15	<u><u>(6,152,069)</u></u>	<u><u>(1,350,391)</u></u>

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

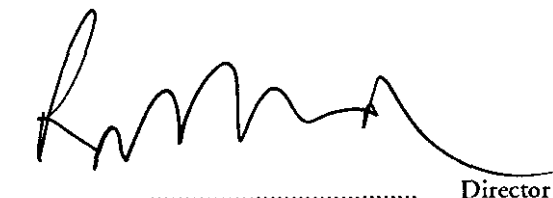
The 1998 comparatives are for the sixteen months ended 31st March 1998.

Wineworld London plc

Balance Sheet at 31st March 1999

	Note	1999 £	1998 £
Fixed Assets			
Intangible assets	7	261,742	1,185,647
Tangible assets	8	7,765,664	7,977
Investments	10	6	2
		<u>8,027,412</u>	<u>1,193,626</u>
Current Assets			
Stock	11	125,288	-
Debtors	12	705,584	144,560
Cash at bank and in hand		1,068,842	984,315
		<u>1,899,714</u>	<u>1,128,875</u>
Creditors: Amounts falling due within one year	13	<u>(3,842,575)</u>	<u>(507,278)</u>
Net Current (Liabilities)/Assets		<u>(1,942,861)</u>	<u>621,597</u>
Total Assets Less Current Liabilities		<u>6,084,551</u>	<u>1,815,223</u>
Creditors: Amounts falling due after more than one year	14	<u>(2,302,654)</u>	<u>-</u>
Net Assets		<u>3,781,897</u>	<u>1,815,223</u>
Capital and Reserves			
Called up share capital - equity interests	15	2,401,421	1,282,398
Share premium account	15	9,145,141	2,145,421
Profit and loss account	15	(7,764,665)	(1,612,596)
Shareholders' Funds		<u>3,781,897</u>	<u>1,815,223</u>

Approved by the board on 19 July 1999
and signed on its behalf by:


..... Director

Wineworld London plc
Cash Flow Statement
For the year ended 31st March 1999

	Note	1999 £	1999 £	1998 £	1998 £
Net Cash Outflow from Operating Activities	1		(3,050,196)		(1,186,895)
Returns on Investments and Servicing of Finance					
Interest received		94,596		79,754	
Interest paid		(35,119)		(53,594)	
Premium on early settlement of debt		(500,000)		-	
Interest element of finance lease rental payments		<u>(11,893)</u>		<u>-</u>	
Net Cash (Outflow)/Inflow from Returns on Investments and Servicing of Finance			(452,416)		26,160
Capital Expenditure and Financial Investment					
Payments to acquire intangible fixed assets		(57,442)		(803,318)	
Payments to acquire tangible fixed assets		(9,267,658)		(10,400)	
Purchase of subsidiary undertakings		<u>(4)</u>		<u>-</u>	
Net Cash Outflow from Capital Expenditure and Financial Investment			(9,325,104)		(813,718)
Financing					
Issue of ordinary share capital		8,118,743		2,838,969	
Increase in short term borrowings		3,100,000		-	
Increase in deferred income grant		2,215,120		-	
Repayment of short term borrowings		(500,000)		-	
Capital element of finance lease rental payments		<u>(21,620)</u>		<u>-</u>	
Net Cash Inflow from Financing			<u>12,912,243</u>		<u>2,838,969</u>
Increase in Cash	2		<u>84,527</u>		<u>864,516</u>

Wineworld London plc
Notes to the Cash Flow Statement
For the year ended 31st March 1999

1	Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities	1999 £	1998 £		
	Operating loss	(5,699,653)	(1,376,551)		
	Depreciation (including impairment write down)	2,622,412	4,085		
	Write off of intangible asset	14,811	-		
	Increase in stock	(125,288)	-		
	Increase in debtors	(561,024)	(134,956)		
	Increase in creditors	698,546	320,527		
		<u>(3,050,196)</u>	<u>(1,186,895)</u>		
2	Reconciliation of Net Cash Flow to the Movement in Net Debt	1999 £	1998 £		
	Increase in cash in the year	84,527	864,516		
	Cash inflow from increase in debt and lease financing	<u>(2,578,380)</u>	<u>-</u>		
	Change in net debt resulting from cash flows	(2,493,853)	864,516		
	New finance leases	(145,905)	-		
	Net funds at 1st April 1998	<u>984,315</u>	<u>119,799</u>		
	Net debt at 31st March 1999	<u>(1,655,443)</u>	<u>984,315</u>		
3	Analysis of Changes in Net Debt	At 1st April 1998 £	CashFlow £	Other non-cash changes £	At 31st March 1999 £
	Cash at bank	984,315	84,527	-	1,068,842
	Finance leases	-	21,620	(145,905)	(124,285)
	Debt due within one year	<u>-</u>	<u>(2,600,000)</u>	<u>-</u>	<u>(2,600,000)</u>
		984,315	(2,493,853)	(145,905)	(1,655,443)

4 Major Non-cash Transactions

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £145,905.

Wineworld London plc

Notes to the Financial Statements

For the year ended 31st March 1999

1 Principal 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:

Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Office equipment	25% to 33% straight line

No depreciation (other than the impairment loss detailed in note 8) has been provided on Vinopolis - City of Wine because the project was still under construction at the balance sheet date. Depreciation will be provided once it is complete.

The directors have decided to use the true and fair override not to provide depreciation on the Website. Under the provisions of FRS11 (Impairment of fixed assets and goodwill) an annual impairment review will be carried out to ensure that the carrying value does not exceed the economic value of the asset.

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 14).

Goodwill

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets, and is written off over its estimated economic life.

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 accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

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

It is the policy of the company to take advantage of the exemptions conferred by section 248 of the Companies Act 1985 from preparing group accounts. These financial statements present information about the company only and not about the group of companies as a whole.

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.

Wineworld London plc
Notes to the Financial Statements
For the year ended 31st March 1999

2 Turnover

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

	1999	1998
	£	£
Corporate hospitality	60,717	-
Sponsorship income	31,270	-
Wine sales	17,340	5,412
Hire of site	1,250	88,256
	<u>110,577</u>	<u>93,668</u>

3 Operating Loss

The operating loss is stated after charging:

	1999	1998
	£	£
Auditors' remuneration	10,000	3,400
Depreciation - owned tangible fixed assets	20,969	4,085
Depreciation - assets held under finance leases	43,888	-
Loss on foreign exchange	5,890	-
	<u>70,747</u>	<u>7,485</u>

4 Interest Payable and Similar Charges

	1999	1998
	£	£
Non bank loan interest	35,119	-
Interest on share subscription monies and other loans	-	53,594
Finance leases and hire purchase contracts	11,893	-
	<u>47,012</u>	<u>53,594</u>

Wineworld London plc
Notes to the Financial Statements
For the year ended 31st March 1999

5	Directors and Employees	1999 £	1998 £
	Staff costs during the year were as follows:		
	Wages and salaries	1,076,884	604,407
	Social security costs	63,035	10,054
	Pension costs	78,737	-
		1,218,656	614,461

The average monthly number of persons employed by the company, including directors, during the year was 20 (1998 - 4).
At the end of the year the number of persons employed by the company was as follows:

	Number	Number
Administration	14	4
Operations	12	-
Senior management	8	5
	34	9
	£	£

Directors' Emoluments:

Emoluments	439,011	559,428
Compensation for loss of office	46,000	-
Company contributions to money purchase pension schemes	46,375	-
	531,386	559,428

The highest paid director during the year received aggregate emoluments in respect of qualifying services of £163,713.
The company paid £15,167 in contributions to a money purchase pension scheme in respect of the director's qualifying services.

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

Director	Number of Ordinary Shares under option	Exercise price per Ordinary Share	First Exercise Date	Expiry Date
Simon Wood	330,000	220p	01.06.2000	01.06.2004
Roger Wood	333,332	120p	18.06.2000	18.06.2004
Anthony Hodges	333,332	120p	18.06.2000	18.06.2004
Duncan Vaughan-Arbuckle	210,700	120p	18.06.2000	18.06.2004

6 **Taxation**

No Corporation Tax liability arises in the year due to the losses incurred.

Wineworld London plc
Notes to the Financial Statements
For the year ended 31st March 1999

7 Intangible Assets

	Goodwill	Legal and Survey Fees	Design Fees	Patents and Trade Marks	Market Research	Total
Cost	£	£	£	£	£	£
At 1st April 1998	193,805	670,712	295,824	10,495	14,811	1,185,647
Additions	-	-	-	57,442	-	57,442
Transfers to tangibles	-	(670,712)	(295,824)	-	-	(966,536)
Disposals	-	-	-	-	(14,811)	(14,811)
At 31st March 1999	<u>193,805</u>	<u>-</u>	<u>-</u>	<u>67,937</u>	<u>-</u>	<u>261,742</u>

In the prior period, professional costs relating to Vinopolis - City of Wine were classified as intangible assets because construction had not started. Now that building work has commenced, these costs are included in Assets in the Course of Construction.

8 Tangible Assets

	Assets in the Course of Construction	Plant and Machinery	Office Equipment	Website	Fixtures and Fittings	Total
Cost	£	£	£	£	£	£
At 1st April 1998	-	5,250	6,480	-	736	12,466
Additions	9,165,136	-	136,893	43,800	67,734	9,413,563
Transfers from intangibles	966,536	-	-	-	-	966,536
At 31st March 1999	<u>10,131,672</u>	<u>5,250</u>	<u>143,373</u>	<u>43,800</u>	<u>68,470</u>	<u>10,392,565</u>
Depreciation						
At 1st April 1998	-	1,689	2,631	-	169	4,489
Charge for the year	<u>2,557,555</u>	<u>1,312</u>	<u>46,427</u>	<u>-</u>	<u>17,118</u>	<u>2,622,412</u>
At 31st March 1999	<u>2,557,555</u>	<u>3,001</u>	<u>49,058</u>	<u>-</u>	<u>17,287</u>	<u>2,626,901</u>
Net Book Value						
At 31st March 1999	<u>7,574,117</u>	<u>2,249</u>	<u>94,315</u>	<u>43,800</u>	<u>51,183</u>	<u>7,765,664</u>
At 31st March 1998	<u>-</u>	<u>3,561</u>	<u>3,849</u>	<u>-</u>	<u>567</u>	<u>7,977</u>

The depreciation charge on Assets in the Course of Construction is an impairment write down in accordance with FRS 11. Further details of the write down are provided in the Directors' Report on page 1.

The net book value of fixed assets of £7,765,664 (1998 - £7,977) includes an amount of £102,016 (1998 - £Nil) with respect to assets held under finance leases.

Wineworld London plc
Notes to the Financial Statements
For the year ended 31st March 1999

9 Investments

	Shares in Group Undertakings £
Cost	
At 1st April 1998	2
Additions	4
	<hr/>
At 31st March 1999	6
	<hr/> <hr/>

10 Subsidiary Undertakings

Name	Country of Incorporation	Class of share	Proportion held	Nature of business
Vinopolis Limited	England	Ordinary	100%	Dormant
WWSB Limited	England	Ordinary	100%	Dormant
Wineworld Limited	England	Ordinary	100%	Dormant

Financial information summary:

	Aggregate capital and reserves £	Profit for the last financial period £
Vinopolis Limited	2	-
WWSB Limited	2	-
Wineworld Limited	2	-
	<hr/> <hr/>	<hr/> <hr/>

11 Stocks

	1999 £	1998 £
Work in progress	125,288	-
	<hr/> <hr/>	<hr/> <hr/>

12 Debtors

	1999 £	1998 £
Trade debtors	63,720	65,097
Other debtors	580,982	49,196
Prepayments and accrued income	60,882	30,267
	<hr/> <hr/>	<hr/> <hr/>
	705,584	144,560

Wineworld London plc
Notes to the Financial Statements
For the year ended 31st March 1999

13	Creditors: Amounts Falling Due Within One Year	1999	1998
		£	£
	Trade creditors	877,375	275,963
	Social security and other taxes	90,294	16,710
	Other creditors	2,615,348	-
	Obligations under finance leases and hire purchase contracts	36,751	-
	Accruals and deferred income	222,807	214,605
		3,842,575	507,278
		3,842,575	507,278

Included in other creditors is a loan of £2,600,000 provided by Thistledown Investments Limited, a company in which Mr. Alexander Anderson, director, has a material interest. The loan is repayable on demand, but the present intention is for Thistledown Investments Limited to continue to provide financial support. Since the year end a further loan of £500,000 on the same terms as above has been provided.

Further loans in the form of convertible loan stock have been provided since the year end as detailed below:

Mr. Michael Loubser	Shareholder	£250,000
Mr. Timothy Gilbert	Shareholder	£250,000

These loan stocks are convertible to ordinary shares immediately by Michael Loubser and at any time after 31st December 1999 and prior to five years from the date of drawdown for Timothy Gilbert, at the option of the loan stock holder. Conversion into ordinary shares can be exercised at £1.87 per share.

Bank facilities totalling £3,375,000 have been provided by Allied Irish Bank plc, which are secured by fixed and floating charges on the assets of the company.

14	Creditors: Amounts Falling Due After More Than One Year	1999	1998
		£	£
	Obligations under finance leases and hire purchase contracts	87,534	-
	Deferred income grant	2,215,120	-
		2,302,654	-
		2,302,654	-

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 properties either two years or five years following completion of the refurbishment works or on disposal, after taking into account any sums already paid.

Wineworld London plc
Notes to the Financial Statements
For the year ended 31st March 1999

15 Shareholders' Funds

1999	Share Premium Account £	Profit and Loss Account £	Share Capital £	Total £
At 1st April 1998	2,145,421	(1,612,596)	1,282,398	1,815,223
Loss for the year	-	(6,152,069)	-	(6,152,069)
Share issue expenses	(1,281,147)	-	-	(1,281,147)
Share issues	8,280,867	-	1,119,023	9,399,890
At 31st March 1999	<u>9,145,141</u>	<u>(7,764,665)</u>	<u>2,401,421</u>	<u>3,781,897</u>

The share capital comprises:

Authorised:

40,000,000 Ordinary shares of 25p each	10,000,000	10,000,000
--	------------	------------

Called up, allotted and fully paid:

9,605,685 (1998 - 5,129,593) Ordinary shares of 25p each	2,401,421	1,282,398
--	-----------	-----------

During the year, the issued share capital was increased by £1,119,023 by the creation of 4,476,092 Ordinary shares of 25p each. Shares were allotted fully paid as follows:

On 14th August 1998, 2,237,564 Ordinary shares were issued at £2.00 each.

On 21st December 1998, 1,605,613 Ordinary shares were issued at £2.20 each.

By 31st March 1999, 632,915 Ordinary shares were issued at £2.20 each under a Private Placing which continued after the year end. Since the year end the company has issued 621,148 Ordinary shares at £2.20 each.

The movements in shareholders' funds in the previous period are set out below:

1998	Share Premium Account £	Profit and Loss Account £	Share Capital £	Total £
At 1st December 1996	222,719	(262,205)	366,131	326,645
Loss for the period	-	(1,350,391)	-	(1,350,391)
Share issue expenses	(845,812)	-	-	(845,812)
Share issues	2,768,514	-	916,267	3,684,781
At 31st March 1998	<u>2,145,421</u>	<u>(1,612,596)</u>	<u>1,282,398</u>	<u>1,815,223</u>

Wineworld London plc
Notes to the Financial Statements
For the year ended 31st March 1999

16	Obligations Under Finance Leases and Hire Purchase Contracts	1999 £	1998 £
	At 31st March 1999 the company had obligations under finance leases and hire purchase contracts which are set out below:		
	Net amount payable:		
	within one year	36,751	-
	in the second to fifth years	87,534	-
		124,285	-
17	Operating Lease Commitments		
	Operating leases		
	At 31st March 1999 the company had annual commitments under operating leases as set out below:		
		1999 Other £	1998 Other £
	Operating leases which expire:		
	in the second to fifth year	5,231	-
		5,231	-
18	Capital Commitments		
	At 31st March 1999 the company had contracted capital commitments totalling £7,654,114.		
19	Transactions With Directors		
	The Hodges Consultancy, a marketing consultancy owned by Anthony Hodges - a non-executive director, handled certain marketing requirements of the company from 1st January 1999 under a contract. On commercial terms standard to marketing consultancies, a commission of 17.65% is charged on business handled in-house by The Hodges Consultancy and 8.825% on business sourced through third parties.		
	Invoices totalling £223,499 including commission were paid to The Hodges Consultancy by the company during the year. These transactions were on normal commercial terms.		
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 £78,737. Contributions to the scheme totalling £15,348 were payable to the scheme and are included in creditors due within one year. The outstanding contributions were paid on 28th April 1999.		