

London

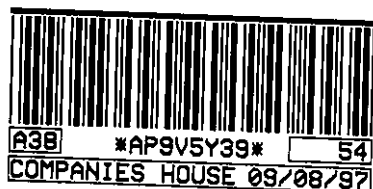
# WINEWORLD LONDON PLC

Company No. 2663676

## REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH NOVEMBER 1996



# Wineworld London plc

## Company Information

### Directors

Sir Thomas Macpherson (Chairman)  
Anthony Hodges  
Peter Paice  
Duncan Vaughan-Arbuckle  
Roger Wood

### Secretary

Roger Wood

### Registered Office

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

### Auditors

Kingston Smith  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

### Principal Bankers

Bank of Scotland plc  
38 Threadneedle Street  
London  
EC2P 2EH

# Wineworld London plc

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**Wineworld London plc**  
**Report of the Directors**  
**For the year ended 30th November 1996**

The directors present their report and the audited financial statements for the year ended 30th November 1996.

**Principal Activities**

The company ceased to be dormant on 5th December 1995 when it incurred its first liabilities. The company's principal activity during the year has been preparatory work for the Vinopolis - City of Wine project. This project is a multi layered leisure complex in Central London including an exhibition of the world's wines, wine tasting, retail operations, restaurants and corporate hospitality.

**Share Capital**

Details of shares issued in the year are given in note 10 to the financial statements.

**Directors and their Interests**

The directors and their interests in the company at the balance sheet date and at the beginning of the year (or on appointment if later), were as follows:-

	Number of Ordinary Shares of 25p each	
	1996	1995
Sir Thomas Macpherson (appointed 28th March 1996)	20,000	20,000
D.K.T. Vaughan-Arbuckle	400,400	400
P.J. Paice (appointed 31st January 1996)	16,000	-
A. Hodges (appointed 28th February 1996)	188,000	40,000
R.N.A. Wood (appointed 22nd January 1997)	-	-

Sir Thomas Macpherson controlled a further 10,000 shares at 30th November 1996 and on appointment respectively, in addition to the above shares which are owned beneficially.

A. Hodges owned 180,000 and 40,000 shares at 30th November 1996 and on appointment respectively as a non-beneficial interest which are included above.

Sir Thomas Macpherson, P.J. Paice, A. Hodges and R.N.A. Wood retire and offer themselves for re-election.

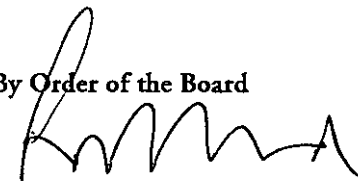
**Creditor Payment Policy**

It is the company's policy to maintain good relationships with its suppliers. Payment terms are agreed with each supplier in advance and these terms are adhered to.

**Auditors**

Kingston Smith were appointed auditors during the year and are willing to be re-appointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board



Secretary

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 14.3.97

# **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 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **Respective Responsibilities of Directors and Auditors**

As described above the 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 at 30th November 1996 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: 14th March 1997

**Wineworld London plc**  
**Profit and Loss Account**  
**For the year ended 30th November 1996**

	Notes	1996 £	1995 £
Turnover		-	-
Cost of sales		<u>-</u>	<u>-</u>
Gross Profit		-	-
Administrative expenses		<u>(265,029)</u>	<u>-</u>
Operating Loss	2	(265,029)	-
Interest receivable		<u>2,824</u>	<u>-</u>
Loss on Ordinary Activities Before Taxation		(262,205)	-
Taxation	4	<u>-</u>	<u>-</u>
Loss for the Year		<u><u>(262,205)</u></u>	<u><u>-</u></u>

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

# Wineworld London plc

## Balance Sheet at 30th November 1996

	Notes	1996 £	1996 £	1995 £	1995 £
<b>Fixed Assets</b>					
Intangible assets	5		382,329		-
Tangible assets	6		1,662		-
Investments	7		<u>2</u>		<u>-</u>
			383,993		-
<b>Current Assets</b>					
Debtors	8	9,604		100	
Cash at bank and in hand		<u>119,799</u>		<u>-</u>	
			129,403		100
<b>Creditors: Amounts falling due within one year</b>	9	<u>186,751</u>		<u>-</u>	
<b>Net Current (Liabilities)/Assets</b>			<u>(57,348)</u>		<u>100</u>
<b>Net Assets</b>			<u><u>326,645</u></u>		<u><u>100</u></u>
<b>Capital and Reserves</b>					
Called up share capital	10		366,131		100
Share premium account	11		222,719		-
Profit and loss account	12		<u>(262,205)</u>		<u>-</u>
<b>Shareholders' Funds</b>			<u><u>326,645</u></u>		<u><u>100</u></u>

Approved by the board on 13.3.97



..... Director

**Wineworld London plc**  
**Cash Flow Statement**  
**For the year ended 30th November 1996**

	Note	1996 £	1996 £	1995 £	1995 £
Net Cash Outflow from Operating Activities	1		(87,378)		-
Returns on Investments and Servicing of Finance					
Interest received and similar income		<u>2,824</u>		<u>-</u>	
Net Cash Inflow from Returns and on Investments and Servicing of Finance			2,824		-
Investing Activities					
Payments to acquire tangible fixed assets		(2,066)		-	
Purchase of subsidiary undertakings		(2)		-	
Payments to acquire intangible fixed assets		<u>(382,329)</u>		<u>-</u>	
Net Cash Outflow from Investing Activities			<u>(384,397)</u>		<u>-</u>
Net Cash Outflow before Financing			(468,951)		-
Financing					
Issue of ordinary share capital	4	<u>588,750</u>		<u>-</u>	
Net Cash Inflow from Financing			<u>588,750</u>		<u>-</u>
Increase in Cash and Cash Equivalents	2		<u><u>119,799</u></u>		<u><u>-</u></u>



**Wineworld London plc**  
**Notes to the Cash Flow Statement**  
**For the year ended 30th November 1996**

<b>1</b>	<b>Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities</b>	<b>1996</b> <b>£</b>	<b>1995</b> <b>£</b>
	Operating loss before interest	(265,029)	-
	Depreciation charges	404	-
	(Increase) in debtors	(9,504)	-
	Increase in creditors	186,751	-
		<u>(87,378)</u>	<u>-</u>
<b>2</b>	<b>Analysis of Changes in Cash and Cash Equivalents during the Year</b>	<b>1996</b> <b>£</b>	<b>1995</b> <b>£</b>
	Balance at 1st December 1995	100	100
	Net cash inflow	<u>119,699</u>	<u>-</u>
	Balance at 30th November 1996	<u>119,799</u>	<u>100</u>
<b>3</b>	<b>Analysis of the balances of Cash and Cash Equivalents as shown in the Balance Sheet</b>	<b>1996</b> <b>£</b>	<b>1995</b> <b>£</b>
	Cash at bank and in hand	<u>119,799</u>	<u>100</u>
<b>4</b>	<b>Analysis of changes in Financing in Year</b>		<b>Share Capital (including premium) £</b>
	At 1st December 1995		100
	Cash inflow from share issue		<u>588,750</u>
	At 30th November 1996		<u>588,850</u>

# Wineworld London plc

## Notes to the Financial Statements

### For the year ended 30th November 1996

#### 1 Accounting Policies

##### Basis of Accounting

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

##### Intangible Fixed Assets and Depreciation

The cost of intangible fixed assets represents the actual monies expended by way of professional fees relating to the acquisition of the option to lease the premises at Clink Street and Stoney Street, Southwark, London, together with relevant survey fees and planning fees, and the cost of the goodwill of the concept for the business acquired from Theme Museum of Wine Limited.

Depreciation or amortisation has not been provided nor will it be provided on these costs until the lease has been signed and Vinopolis has been built and has been opened to the public. Once the lease has been signed the costs which relate to the acquisition of the option to lease and the lease itself will be depreciated over the life of the lease. The cost of goodwill will be amortised over its useful economic life.

##### Tangible Fixed Assets and Depreciation

The cost of tangible fixed assets represents the actual purchase price paid.

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual values, of the tangible assets over their estimated useful lives:

Fixtures, fittings and equipment	- 25% reducing balance
IT equipment	- 3 years straight line

##### 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.

##### Accounts

These financial statements present information about the company only and not about the group of companies as a whole.

#### 2 Operating Loss

The operating loss is stated after charging:

	1996 £	1995 £
Auditors' remuneration	2,750	-
Depreciation	<u>404</u>	<u>-</u>

**Wineworld London plc**  
**Notes to the Financial Statements**  
**For the year ended 30th November 1996 (Continued)**

3 Directors and Employee Costs	1996	1995
	£	£
Wages and salaries	4,825	-
Social security costs	469	-
	<u>5,294</u>	<u>-</u>
	No.	No.
The average number of employees during the year was as follows:	<u>1</u>	<u>-</u>

During the year D.K.T. Vaughan-Arbuckle, P.J. Paice and A. Hodges, directors, charged the company consultancy fees on normal commercial terms of £20,667, £16,167 and £108,000 respectively.

**4 Taxation**

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

5 Intangible Assets	1996	1995
	£	£
Goodwill	178,805	-
Legal and survey fees	114,498	-
Design fees	74,215	-
Market research	14,811	-
	<u>382,329</u>	<u>-</u>

All expenditure on intangible assets was incurred during the year.

6 Tangible Assets	1996	1995
	£	£
Cost		
Office equipment	771	-
Fixtures and fittings	1,295	-
	<u>2,066</u>	<u>-</u>
Depreciation		
Office equipment	80	-
Fixtures and fittings	324	-
	<u>404</u>	<u>-</u>
Net Book Value	<u>1,662</u>	<u>-</u>

All tangible assets were purchased during the year.

**Wineworld London plc**  
**Notes to the Financial Statements**  
**For the year ended 30th November 1996 (Continued)**

<b>7</b>	<b>Investments</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Shares in group undertaking	<u>2</u>	<u>-</u>

The following details relate to the company's subsidiary undertaking:

Name	Location	Identity of shares held	Percentage of shares held	Aggregate capital and reserves £	Profit for year £
Vinopolis Limited	England	Ordinary	100%	<u>2</u>	<u>-</u>

<b>8</b>	<b>Debtors</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Other debtors	4,850	100
	Prepayments	<u>4,754</u>	<u>-</u>
		<u>9,604</u>	<u>100</u>

<b>9</b>	<b>Creditors: Amounts Falling Due Within One Year</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Trade creditors	159,246	-
	Social security and other taxes	553	-
	Accruals	<u>26,952</u>	<u>-</u>
		<u>186,751</u>	<u>-</u>

<b>10</b>	<b>Share Capital</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Authorised:		
	40,000,000 ordinary shares of 25p each		
	(1995: 10,000 ordinary shares of £1 each)	<u>10,000,000</u>	<u>10,000</u>
	Called up, allotted and fully paid:		
	1,149,400 ordinary shares of 25p each		
	(1995: 100 ordinary shares of £1 each)	287,350	100
	Fully paid applications awaiting allotment:		
	315,125 ordinary shares of 25p each	<u>78,781</u>	<u>-</u>
		<u>366,131</u>	<u>100</u>

On 2nd February 1996 the company passed an ordinary resolution to divide each £1 ordinary share into 4 ordinary shares of 25p each. 1,149,000 ordinary shares of 25p each were subsequently allotted during the year for a total consideration of £337,250.

**Wineworld London plc**  
**Notes to the Financial Statements**  
**For the year ended 30th November 1996 (Continued)**

11 Share Premium Account	1996	1995
	£	£
Received in year relating to allotted shares	50,000	-
Received in year relating to applications awaiting allotment	<u>172,719</u>	<u>-</u>
	<u><u>222,719</u></u>	<u><u>-</u></u>

12 Profit and Loss Account	1996	1995
	£	£
Loss for the year	<u>(262,205)</u>	<u>-</u>
Deficit at 30th November 1996	<u><u>(262,205)</u></u>	<u><u>-</u></u>

**13 Post Balance Sheet Events**

**Share capital**

Since the balance sheet date the company has allotted 837,625 ordinary shares of 25p each. This total includes applications for 522,500 ordinary shares of 25p each for a consideration of £400,000 which have been received since the balance sheet date.

**Lease option**

In February 1997 the company signed an option to lease premises at Clink Street and Stoney Street, Southwark, London SE1 in which the Vinopolis - City of Wine project will be constructed.