

Company Registration No. 2475913 (England & Wales)

BOTTLE GREEN LIMITED
DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000



BOTTLE GREEN LIMITED

COMPANY INFORMATION

Directors

J F Lockspeiser
F M Barlow (Appointed 1 February 2000)
D J Gill (Appointed 1 February 2000)
S J Turner (Appointed 1 February 2000)
N Butler (Appointed 1 February 2000)

Secretary

S J Turner

Company Number

2475913

Registered Office

19 New Street
Horsforth
West Yorkshire
LS18 4BH

Auditors

Barcant Beardon
Chartered Accountants
8 Blackstock Mews
Islington
London N4 2BT

Business Address

19 New Street
Horsforth
West Yorkshire
LS18 4BH

Bankers

HSBC plc
4 Otley Road
Headingley
Leeds LS6 2DF

BOTTLE GREEN LIMITED

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BOTTLE GREEN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2000

The directors' present their Report and Financial Statements for the group for the year ended 31 August 2000.

Principal Activities and review of the Business

The principal activity of the company continued to be importing and as an agent supplying wine to UK multiples. The subsidiary company's principal activity continued to be that of wines and spirits merchants.

The company has enjoyed another successful year of trading during which time it has significantly extended its supply base in Australia and Chile to reflect market trends. This has resulted in significant growth in supply of wines from these countries into the UK market.

The company's personnel has been increased by the recruitment of additional high level specialised staff in preparation for the planned future growth strategy.

Results and Dividends

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

No dividends were paid or proposed during the current financial year.

Market Value of Land and Buildings

In the opinion of the Directors' the market value of land and buildings exceeds the current net book value.

Future Developments

There are no plans for any significant changes during the next financial year. In the opinion of the Directors the group will maintain its current level of profitability during the ensuing year.

Directors'

The following Directors have held office since 1 September 1999:

J F Lockspeiser	
F M Barlow	(Appointed 1 February 2000)
D J Gill	(Appointed 1 February 2000)
S J Turner	(Appointed 1 February 2000)
N Butler	(Appointed 1 February 2000)

Directors' Interests

The Directors' beneficial interests in the shares of the company were as stated below:

	Ordinary A Shares of £1 each	
	31 August 2000	1 September 1999
J F Lockspeiser	100,000	100,000
F M Barlow	-	-
D J Gill	-	-
S J Turner	-	-
N Butler	-	-

	Ordinary B Shares of 1p each	
	31 August 2000	1 September 1999
J F Lockspeiser	24,000	-
F M Barlow	1,500	-
D J Gill	1,500	-
S J Turner	1,500	-
N Butler	1,500	-

BOTTLE GREEN LIMITED

DIRECTORS' REPORT - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

Taxation Status

The company was a close company within the provisions of the income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Creditor Payment Policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that the suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 74 (1999 - 69) days' purchases.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Barcant Beardon be reappointed as auditors of the company will be put to the annual General Meeting.

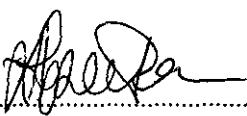
Directors' Responsibilities

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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors' are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.

On behalf of the board


.....
S J Turner, Director

22nd June 2001
.....
Date

AUDITORS' REPORT

TO THE SHAREHOLDERS OF
BOTTLE GREEN LIMITED

We have audited the Consolidated Financial Statements on pages 4 to 18 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's Directors are responsible for the preparation of 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 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 group's affairs as at 31 August 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8 Blackstock Mews
Blackstock Road
Islington
London N4 2BT

Barcant Beardon

BARCANT BEARDON
Chartered Accountants
and
Registered Auditors

26 June 2001

BOTTLE GREEN LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2000

	<i>Notes</i>	2000 £	1999 £
Turnover	2	26,683,402	23,579,334
Cost of Sales		(23,944,143)	(20,787,365)
Gross Profit		2,739,259	2,791,969
Distribution Costs		(62,928)	(59,271)
Administrative Expenses		(1,581,972)	(1,067,109)
Operating Profit	3	1,094,359	1,665,589
Other Interest Receivable and Similar Income		112,096	100,383
Interest Payable and Similar Charges	4	(572)	(1,370)
Profit on Ordinary Activities before Taxation		1,205,883	1,764,602
Tax on Profit on Ordinary Activities	5	(372,435)	(540,763)
Profit on Ordinary Activities after Taxation		833,448	1,223,839
Minority Interest		(6,960)	(3,906)
Group Profit for the Year	7	826,488	1,219,933
Dividends	6	-	(200,000)
Group Retained Profit for the Year	17.1	826,488	1,019,933

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

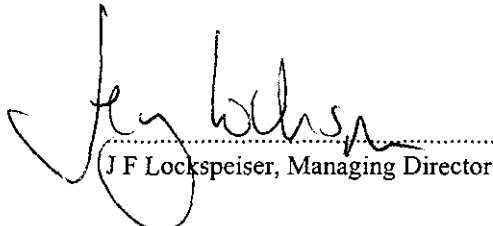
There are no recognised gains and losses other than those passing through the Profit and Loss Account.

BOTTLE GREEN LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2000

	Notes	£	2000 £	£	1999 £
Fixed Assets					
Tangible Assets	8.1		812,809		725,645
Investments	9.1		98,476		-
			<u>911,285</u>		<u>725,645</u>
Current Assets					
Stocks	11	576,744		274,154	
Debtors	12.1	5,724,867		4,705,796	
Cash at Bank and in Hand		2,870,719		1,907,127	
		<u>9,172,330</u>		<u>6,887,077</u>	
Creditors: amounts falling due within one year	13.1	<u>(6,448,488)</u>		<u>(4,810,447)</u>	
Net Current Assets			<u>2,723,842</u>		<u>2,076,630</u>
Total Assets Less Current Liabilities			<u>3,635,127</u>		<u>2,802,275</u>
Creditors: amounts falling due after more than one year	14		(8,857)		(10,140)
Provisions for Liabilities and Charges	15.1		<u>(1,471)</u>		<u>(844)</u>
			<u>3,624,799</u>		<u>2,791,291</u>
Capital and Reserves					
Called up Share Capital	16		100,300		100,000
Profit and Loss Account	17.1		3,490,004		2,663,756
Shareholders' Funds - Equity Interest	18.1		<u>3,590,304</u>		<u>2,763,756</u>
Minority Interest	20		<u>34,495</u>		<u>27,535</u>
			<u>3,624,799</u>		<u>2,791,291</u>

The Financial Statements were approved by the Board on.....22nd JUNE 2001.....


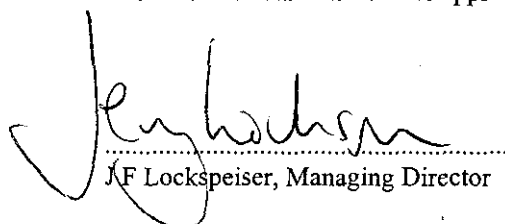
J F Lockspeiser, Managing Director

BOTTLE GREEN LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2000

	Notes	£	2000 £	£	1999 £
Fixed Assets					
Tangible Assets	8.2		794,516		709,055
Investments	9.2		98,551		75
			<u>893,067</u>		<u>709,130</u>
Current Assets					
Stocks		390,627		127,128	
Debtors	12.2	5,663,591		4,627,415	
Cash at Bank and in Hand		2,815,457		1,860,547	
		<u>8,869,675</u>		<u>6,615,090</u>	
Creditors: amounts falling due within one year	13.2	(6,275,781)		(4,642,148)	
Net Current Assets			<u>2,593,894</u>		<u>1,972,942</u>
Total Assets Less Current Liabilities			<u>3,486,961</u>		<u>2,682,072</u>
Provisions for Liabilities and Charges	15.2		<u>(68)</u>		<u>(844)</u>
			<u>3,486,893</u>		<u>2,681,228</u>
Capital and Reserves					
Called up Share Capital	16		100,300		100,000
Profit and Loss Account	17.2		3,386,593		2,581,228
Shareholders' Funds - Equity Interest	18.2		<u>3,486,893</u>		<u>2,681,228</u>

The Financial Statements were approved by the Board on.....22nd JUNE 2001.....


JF Lockspeiser, Managing Director

BOTTLE GREEN LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2000

	2000	1999
£	£	£
Net Cash Inflow from Operating Activities	1,663,148	1,371,146
Returns on Investments and Servicing of Finance		
Interest Received	112,096	100,383
Interest Paid	(572)	(1,089)
Interest Element of Finance Lease Rentals	-	(281)
Net Cash Inflow for Returns on Investments and Servicing of Finance	111,524	99,013
Taxation	(549,185)	(575,979)
Capital Expenditure and Financial Investment		
Payments to Acquire Tangible Assets	(206,791)	(690,132)
Payments to Acquire Investments	(98,476)	-
Receipts from Sales of Tangible Assets	24,518	1,401
Net Cash Outflow for Capital Expenditure	(280,749)	(688,731)
Equity Dividends Paid	-	(370,000)
Net Cash Inflow before Management of Liquid Resources and Financing	944,738	(164,551)
Management of Liquid Resources		
Current Asset Investments		1,000,000
Financing		
Issue of Ordinary Share Capital	60	-
Capital Element of Hire Purchase Contracts	(4,816)	(2,151)
Net Cash Outflow from Financing	(4,756)	(2,151)
	939,982	833,298

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2000

1. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities				
	2000		1999	
	£		£	
Operating Profit	1,094,359		1,665,589	
Depreciation of Tangible Assets	79,659		31,237	
Loss on Disposal of Tangible Assets	15,449		4,423	
Increase in Stocks	(302,590)		(16,405)	
Increase in Debtors	(1,021,321)		(1,664,951)	
Increase in creditors within one Year	1,797,592		1,351,253	
	<u>1,663,148</u>		<u>1,371,146</u>	
Net Cash Inflow from Operating Activities				
	<u>1,663,148</u>		<u>1,371,146</u>	
2. Analysis of Net Funds				
	1 September 1999	Cash Flow	Other Non-Cash Changes	31 August 2000
	£	£	£	£
<i>Net Cash:</i>				
Cash at Bank and in Hand	1,907,127	963,592	-	2,870,719
Bank Overdrafts	(3,136)	(23,611)	-	(26,747)
	<u>1,903,991</u>	<u>939,981</u>	<u>-</u>	<u>2,843,972</u>
<i>Debt:</i>				
Finance Leases	(6,099)	4,816	-	(1,283)
Debts falling due after one year	(8,857)	-	-	(8,857)
	<u>(14,956)</u>	<u>4,816</u>	<u>-</u>	<u>(10,140)</u>
Net Funds	<u>1,889,035</u>	<u>944,797</u>	<u>-</u>	<u>2,833,832</u>
3. Reconciliation of Net Cash Flow to Movement in Net Funds				
	2000		1999	
	£		£	
Increase in Cash in the Year	939,981		833,298	
Cash Inflow from Decrease in Liquid Resources	-		(1,000,000)	
Cash Outflow from Decrease in debt and Lease Financing	4,816		2,151	
	<u>944,797</u>		<u>(164,551)</u>	
<i>Movement in Net Funds in the Year</i>	<u>944,797</u>		<u>(164,551)</u>	
Opening Net Funds	1,889,035		2,053,586	
	<u>2,833,832</u>		<u>1,889,035</u>	
<i>Closing Net Funds</i>	<u>2,833,832</u>		<u>1,889,035</u>	

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2000

1.0 Accounting Policies

1.1 Accounting Convention

The Financial Statements are prepared under the historical cost convention.

1.2 Basis of Consolidation

The consolidated Financial Statements incorporate the Financial Statements of the subsidiary using the acquisition method of consolidation, with any goodwill arising being eliminated to reserves. Such goodwill will be charged or credited to the profit and loss account on a subsequent disposal or closure of the subsidiary's business.

1.3 Compliance with Accounting Standards

The Financial Statements are prepared in accordance with applicable accounting standards.

1.4 Turnover

Turnover represents amounts receivable for goods and services, net of VAT and trade discounts, derived from the principal activities of the group.

1.5 Tangible Fixed Assets and Depreciation

Tangible Fixed Assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and Buildings Freehold	2%	per annum on cost
Freehold Improvements	25%	per annum on reducing balance
Fixtures, Fittings & Equipment	25%	per annum on reducing balance
Motor Vehicles	25%	per annum on reducing balance

The group owns freehold land held at a book value of £150,000 (valued at cost) which is not depreciated.

1.6 Leasing and Hire Purchase Commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Investments

Fixed Asset investments are stated at cost less provision of diminution in value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Pensions

The pension costs charged in the Financial Statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.10 Deferred Taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.11 Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to Profit and Loss Account.

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

2.0 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

The parent company and its subsidiary operate in different market segments. Analysis of the Wine Merchant segment is thus fully available within the subsidiary company's Financial Statements for the year ended 31 August 2000.

The group's activities are not divided into geographical areas. Products and services are similar whichever geographical areas they are sold to.

3.0 Operating Profit

	2000 £	1999 £
Operating Profit is stated after charging:		
Depreciation of Tangible Assets	79,659	31,237
Auditors' Remuneration	7,250	7,250
Remuneration of Auditors for non-audit work	5,350	4,900
	<u> </u>	<u> </u>

4.0 Interest Payable

	2000 £	1999 £
On bank loans and overdrafts	195	-
Lease finance charges and hire purchase interest	377	1,370
	<u> </u>	<u> </u>
	572	1,370
	<u> </u>	<u> </u>

5.0 Taxation

	2000 £	1999 £
<i>UK Current Year Taxation</i>		
UK Corporation tax at 30%/20% (1999 - 31%/20%)	371,808	539,922
Deferred Taxation	627	844
	<u> </u>	<u> </u>
	372,435	540,766
<i>Prior Years</i>		
UK Corporation Tax	-	(3)
	<u> </u>	<u> </u>
	372,435	540,763
	<u> </u>	<u> </u>

6.0 Dividends

	2000 £	1999 £
Ordinary "A" interim paid	-	200,000
	<u> </u>	<u> </u>

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

7.0 Profit Attributable to Members of the Holding Company

	2000 £	1999 £
Parent Company	805,605	1,008,216
Subsidiary Company	20,883	11,717
	<u>826,488</u>	<u>1,019,933</u>

8.0 Tangible Fixed Assets

8.1 Tangible Fixed Assets - The Group

	Freehold Land and Buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost				
At 1 September 1999	615,786	92,677	107,188	815,651
Additions	774	139,799	66,217	206,790
Disposals	-	(46,208)	(41,510)	(87,718)
	<u>616,560</u>	<u>186,268</u>	<u>131,895</u>	<u>934,723</u>
At 31 August 2000	<u>616,560</u>	<u>186,268</u>	<u>131,895</u>	<u>934,723</u>
Depreciation				
At 1 September 1999	-	42,865	47,141	90,006
On Disposal	-	(34,738)	(13,013)	(47,751)
Charge for the year	9,313	45,955	24,391	79,659
	<u>9,313</u>	<u>54,082</u>	<u>58,519</u>	<u>121,914</u>
At 31 August 2000	<u>9,313</u>	<u>54,082</u>	<u>58,519</u>	<u>121,914</u>
Net Book Value				
At 31 August 2000	<u>607,247</u>	<u>132,186</u>	<u>73,376</u>	<u>812,809</u>
At 31 August 1999	<u>615,786</u>	<u>49,812</u>	<u>60,047</u>	<u>725,645</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor Vehicles £
Net Book Value	
At 31 August 2000	<u>3,902</u>
At 31 August 1999	<u>13,398</u>
Depreciation Charge for the Year	
At 31 August 2000	<u>1,300</u>
At 31 August 1999	<u>4,900</u>

Freehold land held at cost of £150,000 is not depreciated

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

8.2 Tangible Fixed Assets - The Company	Freehold Land and Buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
<i>Cost</i>				
At 1 September 1999	615,786	75,989	100,252	792,027
Additions	774	133,320	66,218	200,312
Disposals	-	(46,208)	(41,510)	(87,718)
	<u>616,560</u>	<u>163,101</u>	<u>124,960</u>	<u>904,621</u>
<i>Depreciation</i>				
At 1 September 1999	-	37,565	47,407	82,972
On Disposal	-	(34,738)	(13,013)	(47,751)
Charge for the year	9,313	42,480	23,091	74,884
	<u>9,313</u>	<u>45,307</u>	<u>55,485</u>	<u>110,105</u>
<i>Net Book Value</i>				
At 31 August 2000	<u>607,247</u>	<u>117,794</u>	<u>69,475</u>	<u>794,516</u>
At 31 August 1999	<u>615,786</u>	<u>38,424</u>	<u>54,845</u>	<u>709,055</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor Vehicles £
<i>Net Book Value</i>	
At 31 August 2000	-
At 31 August 1999	<u>9,496</u>
<i>Depreciation Charge for the Year</i>	
At 31 August 2000	-
At 31 August 1999	<u>3,166</u>

Freehold land held at cost of £150,000 is not depreciated

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

9.0 Fixed Asset Investments

9.1 Fixed Asset Investments - The Group

	Unlisted Investments £
<i>Cost</i>	
At 1 September 1999	-
Additions	98,476
At 31 August 2000	98,476

9.2 Fixed Asset Investments - The Company

	Unlisted Investments £	Shares in Subsidiary Undertakings £	Total £
<i>Cost</i>			
At 1 September 1999	-	75	75
Additions	98,476	-	98,476
At 31 August 2000	98,476	75	98,551

During the year Bottle Green Limited purchased a minority shareholding in Mt. Athos Wines Pty (a company registered in Australia) for A\$250,000. The investment is held at cost translated into Sterling at the historic rate.

10.0 Subsidiary

On 1 September 1991 Vinceremos Wines and Spirits Limited, a 75% subsidiary of the company, acquired the business activities of Vinceremos Limited. The subsidiary is incorporated in England and Wales, its principal activity is that of wines and spirits merchants. At the year end the subsidiary's capital and reserves were £137,982.

11.0 Stocks - The Group

	2000 £	1999 £
Finished goods and goods for resale	576,744	274,154

12.0 Debtors

12.1 Debtors - The Group

	2000 £	1999 £
Trade debtors	5,669,112	4,597,050
Other debtors	28,660	98,818
Prepayments and accrued income	27,095	9,928
	5,724,867	4,705,796

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

<i>12.2 Debtors - The Company</i>	2000 £	1999 £
Trade debtors	5,540,653	4,468,010
Amounts owed by subsidiary undertakings	35,241	12,240
Other debtors	62,800	138,287
Prepayments and accrued income	24,897	8,878
	<u>5,663,591</u>	<u>4,627,415</u>

13.0 Creditors: amounts falling due within one year

<i>13.1 Creditors: amounts falling due within one year - The Group</i>	2000 £	1999 £
Bank loans and Overdrafts	26,747	3,136
Net obligations under finance leases and hire purchase contracts	1,283	4,816
Trade Creditors	4,851,749	3,930,780
Corporation Tax	179,547	356,924
Other Taxes and Social Security Costs	19,473	16,100
Other Creditors	202	-
Accruals and Deferred Income	1,369,487	498,691
	<u>6,448,488</u>	<u>4,810,447</u>

The subsidiary company's overdraft is secured with a fixed charge over book debts, a floating charge over all assets and an unlimited guarantee from the holding company.

<i>13.2 Creditors: amounts falling due within one year - The Company</i>	2000 £	1999 £
Net obligations under hire purchase contracts	-	2,250
Trade Creditors	4,721,672	3,811,876
Corporation Tax	173,251	353,763
Other Taxes and Social Security Costs	17,585	14,297
Other Creditors	202	-
Accruals and Deferred Income	1,363,071	459,962
	<u>6,275,781</u>	<u>4,642,148</u>

None of the parent company's creditors were secured during the year.

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

14.0 Creditors: amounts falling due after more than one year - The Group	2000	1999
	£	£
Net obligations under finance leases and hire purchase contracts	-	1,283
Director's current account	8,857	8,857
	<u>8,857</u>	<u>10,140</u>
 In more than five years	 8,857	 8,857
 <i>Net obligations under finance leases and hire purchase contracts</i>		
Repayable within one year	1,283	4,816
Repayable between two and five years	-	1,283
	<u>1,283</u>	<u>6,099</u>
Included in liabilities falling due within one year	(1,283)	(4,816)
	<u>-</u>	<u>1,283</u>

15.0 Provisions for Liabilities and Charges

15.1 Provisions for Liabilities and Charges - The Group	Deferred Taxation
	£
Balance at 1 September 1999	844
Profit and Loss Account	627
	<u>1,471</u>
Balance at 31 August 2000	<u>1,471</u>

Deferred taxation provided in the Financial Statements is as follows:

	Fully Provided
	2000
	£
Accelerated Capital Allowances	1,471
	<u>1,471</u>

15.2 Provisions for Liabilities and Charges - The Company	Deferred Taxation
	£
Balance at 1 September 1999	844
Profit and Loss Account	(776)
	<u>68</u>
Balance at 31 August 2000	<u>68</u>

Deferred taxation provided in the Financial Statements is as follows:

	Fully Provided
	2000
	£
Accelerated Capital Allowances	68
	<u>68</u>

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

16.0 Share Capital

	2000 £	1999 £
<i>Authorised</i>		
100,000 Ordinary A Shares of £1 each	100,000	100,000
30,000 Ordinary B Shares of 1p each	300	-
	<u>100,300</u>	<u>100,000</u>
<i>Allotted, called up and Fully paid</i>		
100,000 Ordinary A Shares of £1 each	100,000	100,000
30,000 Ordinary B Shares of 1p each	300	-
	<u>100,300</u>	<u>100,000</u>

During the year 30,000 non-transferable ordinary B Shares were allotted to employees of the company who are also the Company's Directors. The B Shares have a par value of 1p each therefore the nominal share capital was increased by £300 to £100,300 in total. The B Shares were issued at par value. The Shares in issue as at the beginning of the accounting period remain unchanged but were renamed A Shares.

A and B Shares both confer equal voting rights but such dividends as may be declared shall be distributed to the holders of the Shares according to the amounts paid up or credited as paid up on the Shares held by them.

17.0 Statement of Movements on Profit and Loss Account

17.1 Statement of Movements on Profit and Loss Account - The Group

	Profit and Loss Account £
Balance at 1 September 1999	2,663,756
Retained Profit for the Year	826,488
Bonus issue of Shares	(240)
Balance at 31 August 2000	<u>3,490,004</u>

17.2 Statement of Movements on Profit and Loss Account - The Company

	Profit and Loss Account £
Balance at 1 September 1999	2,581,228
Retained Profit for the Year	805,605
Bonus issue of Shares	(240)
Balance at 31 August 2000	<u>3,386,593</u>

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

18.1 Reconciliation of Movements in Shareholders' Funds - The Group	2000	1999
	£	£
Profit for the Financial Year	826,488	1,219,933
Dividends	-	(200,000)
Proceeds from Issue of Shares	826,488	1,019,933
	60	-
Net Addition to Shareholders' Funds	826,548	1,019,933
Opening Shareholders' Funds	2,763,756	1,743,823
Closing Shareholders' Funds	3,590,304	2,763,756

On consolidation of the subsidiary £18,277 of negative goodwill was credited to profit and loss reserves.

18.2 Reconciliation of Movements in Shareholders' Funds - The Company	2000	1999
	£	£
Profit for the Financial Year	805,605	1,208,216
Dividends	-	(200,000)
Proceeds from Issue of Shares	805,605	1,008,216
	60	-
Net Addition to Shareholders' Funds	805,665	1,008,216
Opening Shareholders' Funds	2,681,228	1,673,012
Closing Shareholders' Funds	3,486,893	2,681,228

19.0 Directors' Emoluments	2000	1999
	£	£
Emoluments for Qualifying Services	1,128,767	460,178
Company Pension Contributions to Money Purchase pension Schemes	10,149	27,583
	1,138,916	487,761

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (1999-1).

Emoluments disclosed above include the following amounts paid to the highest paid director.

	2000	1999
	£	£
Emoluments for qualifying services	753,622	460,178
Company pension contributions to money purchase schemes	5,004	27,583

During the year the directors of the company were issued Ordinary B Shares in the company. These shareholdings are fully disclosed in the Directors' Report.

BOTTLE GREEN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

FOR THE YEAR ENDED 31 AUGUST 2000

20.0 Minority Interest

The minority interest shown in the profit and loss account and balance sheet is the total equity interest in the profit after tax and capital and reserves respectively of Vinceremos Wines & Spirits Limited as at 31 August 2000. In order to obtain an understanding of the commercial effect of this the financial statements of Vinceremos Wines & Spirits Limited should be consulted.

21.0 Employees

Number of Employees

The average monthly number of employees (including directors) during the year was:

	2000	1999
Sales and Marketing	5	5
Finance and Administration	20	13
	<u>25</u>	<u>18</u>

Employment Costs

	2000	1999
	£	£
Wages and Salaries	1,590,649	972,493
Social Security Costs	187,471	107,719
Other Pension Costs	18,531	37,327
	<u>1,796,651</u>	<u>1,117,539</u>

21.1 Pension Costs

The company makes contributions to certain employees' and directors' defined contribution pension schemes. The assets of the schemes are held separately from those of the company. The pension cost charge represents contributions payable by the company to the funds and amounted to £18,531 (1999 - £37,327). No contributions were payable to the fund at the year end.

22.0 Related Party Transactions

During the year the company sold goods to a value of £63,972 (1999 - £28,586) to its 75% subsidiary undertaking, Vinceremos Wines and Spirits Limited. Bottle Green Limited also charged Vinceremos Wines & Spirits Limited rent of £6,750 in the year (1999 - £2,400).

On 1 July 2000 J Lockspeiser, managing director of Bottle Green Limited, became a director of Mt. Athos Wines Pty. Mr N Butler, another director of Bottle Green Ltd, has been a director of Mt. Athos Wines Pty since the beginning of the year. Bottle Green Limited purchased 250,000 A\$1 ordinary shares in Mt. Athos Wines Pty (a company registered in Australia) during the year, representing a trade investment of 10.4%. Mr Butler personally owns 200,000 A\$1 ordinary shares, being an investment in 8.3% of the share capital. The total control over the voting rights of Mt. Athos Wines Pty by directors of Bottle Green Limited is therefore less than 20% and Bottle Green Limited is not considered to exert significant influence over the management of Mt. Athos Wines Pty.

Nick Butler was paid a total of A\$2,333 (pro rata) for his services as a director of Mt. Athos Wines since he became a director of Bottle Green Limited on 1 February 2000.