

BIBENDUM WINE LIMITED

REPORT AND ACCOUNTS

For the year ended

31 MARCH 2005



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BIBENDUM WINE LIMITED

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BIBENDUM WINE LIMITED

COMPANY INFORMATION

INCORPORATION NUMBER 2218928

DIRECTORS
P I Espenhahn (Non-executive Chairman)
D A Jago (Joint Managing Director)
M P Saunders (Joint Managing Director)
A W Hibbert (Finance Director)
B J Collins (Executive Director)
W O Lebus (Executive Director)
S C Farr (Non-executive deputy Chairman)
A J Arkwright (Non-executive Director)
J Bourland (Non-executive Director)
A Vinton (Non-executive Director)

SECRETARY A W Hibbert

REGISTERED OFFICE 113 Regents Park Road
London NW1 8UR

BANKERS National Westminster Bank plc
Buckingham Branch
2 Market Hill
Buckingham MK18 1JS

AUDITORS Nexia Audit Limited
Chartered Accountants
No 1 Riding House Street
London W1A 3AS

TAXATION & FINANCIAL
ADVISORS Smith & Williamson Limited
No 1 Riding House Street
London W1A 3AS

BIBENDUM WINE LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the group, together with the accounts and auditors' report for the year ended 31 March 2005.

Principal activities and business review

The principal activities of the group continue to be the importation and distribution of wine.

Turnover had increased by 26% from £43,496,000 to £55,108,000. The operating profit for the year was £2,328,000 (2004: £837,000), whilst the profit after taxation was £1,465,000 (2004: £491,000).

The directors recommend a final dividend for the year ended 31 March 2005 of 37p per share (2004: 16p per share).

Directors and their interests

The directors who served during the year and their interests in the shares of the company, are shown below:

	Ordinary shares of £1 each	
	31 March 2005	31 March 2004
P I Espenhahn	30,000	30,000
DA Jago	46,938	46,938
M P Saunders	132,776	132,776
A W Hibbert	5,000	5,000
B J Collins	152,512	152,512
S C Farr	179,721	179,721
W O Lebus	144,455	144,455
A J Arkwright	50,000	50,000
J Bourland	-	-
A Vinton	60,000	60,000

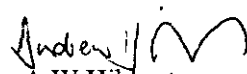
Charitable donations

During the year the company made charitable donations of £2,000 (2004: £nil).

Auditors

A resolution to re-appoint Nexia Audit Limited will be proposed at the next Annual General Meeting.

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON BEHALF OF THE BOARD


A W Hibbert
SECRETARY

26 May 2005

BIBENDUM WINE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those accounts, 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 standard have been followed, subject to any material departure disclosed and explained in the accounts;
- Prepare the accounts 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 group and to enable them to ensure that the accounts 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.

Nexia Audit

— · Limited · —

Independent auditors' report to the shareholders of Bibendum Wine Limited

We have audited the accounts of Bibendum Wine Limited for the year ended 31 March 2005 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 27. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly 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 accounts, 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 company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31 March 2005 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Limited

Nexia Audit Limited
Chartered Accountants
Registered Auditors

1 Riding House Street
London
W1A 3AS

26.5.2005

BIBENDUM WINE LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2005**

	Notes	2005 £'000	2004 £'000
Turnover	2	55,108	43,496
Cost of sales		(45,156)	(35,959)
Gross profit		9,952	7,537
Selling and distribution costs		(4,700)	(4,486)
Administrative expenses		(2,924)	(2,215)
Operating profit	3	2,328	837
Other interest receivable and similar income	4	13	5
Interest payable and similar charges	5	(202)	(166)
Profit on ordinary activities before taxation		2,139	675
Tax on profit on ordinary activities	7	(674)	(184)
Profit on ordinary activities after taxation		1,465	491
Dividend	8	(587)	(254)
Retained profit for the year	17	878	237
Earnings per share	25	92.3p	30.9p
Fully-diluted earnings per share	25	73.0p	29.6p

All of the group's operations are classed as continuing.

BIBENDUM WINE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 MARCH 2005

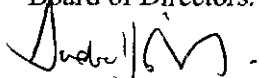
	2005 £'000	2004 £'000
Profit for the financial year	878	491
Unrealised surplus on revaluation of property	-	700
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	878	1,191
	<hr/> <hr/>	<hr/> <hr/>

BIBENDUM WINE LIMITED

BALANCE SHEETS as at 31 MARCH 2005

	Notes	Group		Company	
		2005	2004	2005	2004
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9	2,126	1,891	2,126	1,891
Investments	10	-	-	10	10
		<hr/>	<hr/>	<hr/>	<hr/>
		2,126	1,891	2,136	1,901
		<hr/>	<hr/>	<hr/>	<hr/>
Current assets					
Stock	11	5,649	3,344	5,649	3,344
Debtors	12	12,476	9,294	12,476	9,294
Cash at Bank		1,933	872	1,933	872
		<hr/>	<hr/>	<hr/>	<hr/>
		20,058	13,510	20,058	13,510
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors: amounts falling due within one year	13	(16,405)	(10,430)	(16,415)	(10,440)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		3,653	3,080	3,643	3,070
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		5,779	4,971	5,779	4,971
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors: falling due after more than one year	14	(1,250)	(1,320)	(1,250)	(1,320)
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets		4,529	3,651	4,529	3,651
		<hr/>	<hr/>	<hr/>	<hr/>
Capital and reserves					
Called up share capital	16	1,588	1,588	1,588	1,588
Own shares in ESOP trust		(7)	(7)	(7)	(7)
Revaluation reserve	18	900	900	-	-
Profit and loss account	17	2,048	1,170	2,948	2,070
		<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' funds	19	4,529	3,651	4,529	3,651
		<hr/>	<hr/>	<hr/>	<hr/>

The accounts were approved by the Board of Directors on 26th May 2005 and were signed on behalf of the Board of Directors.


A W Hibbert
Director

BIBENDUM WINE LIMITED**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 MARCH 2005**

	Notes	2005 £'000	2004 £'000
Net cash inflow from operating activities	21	2,545	58
Returns on investments and servicing of finance			
Interest received		13	5
Interest paid		(202)	(165)
Interest element of finance leases		-	(2)
Net cash outflow for returns on investments and servicing of finance		(189)	(162)
Taxation			
Net tax paid		(227)	(276)
Capital expenditure			
Payments to acquire tangible fixed assets		(405)	(139)
Cash inflows/(outflows) before financing		1,724	(519)
Financing			
Repayment of bank loan		(70)	(70)
Capital element of finance lease payments		(14)	(29)
Equity dividend paid		(84)	(99)
Increase/(Decrease) in cash	22	1,385	(872)

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of land and buildings and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of the company and all its subsidiaries made up to 31 March 2005.

Where subsidiaries are acquired or sold during the year the group profit and loss account includes the results for the part of the year for which they were subsidiaries. The company has taken advantage of s.230 of the Companies Act 1985 and consequently the profit and loss account of the parent company is not presented as part of these accounts

Tangible fixed assets

Land and buildings are shown at valuation as set out in note 9. Other fixed assets are shown at cost.

Depreciation is provided to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Property improvements	-	15% per annum
Office furniture and equipment	-	15% per annum
Computer equipment	-	33% per annum

No depreciation is provided on the freehold land and buildings. It is the group's policy to maintain its property in such condition that its value is not impaired by the passage of time. Such maintenance is charged to the profit and loss account. As a consequence, depreciation would not, in the opinion of the directors, be material and no provision has therefore been made.

Employee Share Ownership Plan

The company's accounts include the Bibendum Employee Benefit Trust. The directors consider that the company has control of the shares held by the trust and bears their benefits and risks. Shares held by the trust are shown as a deduction to shareholders' funds. Amounts transferred which are awaiting investment in the company's shares are included in debtors. Administration expenses are charged to the profit and loss account as they accrue.

Stocks

Stocks are stated at the lower of cost and net realisable value.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)

1 Accounting policies (continued)

Deferred tax

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those assets have been rolled over into replacement assets.

Deferred tax assets are recognised to the extent that they are recoverable, that is on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Any assets and liabilities recognised have not been discounted.

Foreign currency

Transactions denominated in foreign currencies are translated at the actual exchange rate on the date of the transaction or, where appropriate, at the rate of exchange of related forward foreign exchange contracts. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange of a related forward foreign exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as a foreign exchange gain or loss in the profit and loss account.

Turnover

Group turnover comprises the value of sales (excluding VAT) of goods and services in the normal course of business, and is recognised as follows:

- **Trade sales**
Revenue is recognised in respect of trade sales once the sales have been made and the goods have been despatched.
- **Agency sales**
Where the Group acts as an agent, only commissions receivable for services rendered are recognised as revenue. Revenue is recognised once sales have been made and the goods despatched. Any third party costs incurred on behalf of the principal that are rechargeable under contractual arrangements are not included in revenue.
- **En primeur sales**
Revenue in respect of en primeur sales is recognised when invoiced and the amount is payable by the customer. The cost of the goods to be delivered is included in cost of sales and creditors. Payment has usually been made to the supplier before delivery of the goods. Payments on account have been recorded as a reduction in the related creditor. The commercial risk of the goods passes from the company to the customer once ordered and therefore the directors believe it is applicable to recognise en primeur revenue on invoicing.

Pension costs

The company operates a defined contribution scheme for certain employees and its liability is limited to the company's element of monthly contributions. Contributions are charged to the profit and loss account as they become payable.

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)****1 Accounting policies (continued)****Goodwill**

The company has taken advantage of the transitional provision of FRS10 "Goodwill and intangible assets". Goodwill, representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired, relating to acquisitions in prior years is written off directly to profit and loss reserves. Goodwill has been eliminated as a matter of accounting policy and will be charged in the profit and loss account on subsequent disposal of the business to which it relates.

Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased asset at the inception of the lease. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

2 Turnover	2005	2004
	£'000	£'000
United Kingdom	54,196	43,029
Rest of World	912	467
	<hr/>	<hr/>
	55,108	43,496
	<hr/>	<hr/>
3 Operating profit	£'000	£'000
Operating profit is stated after charging:		
Depreciation	170	217
Operating leases – other assets	159	108
Auditors' remuneration		
- audit (includes £28,500 in respect of the company (2003: £24,500)	29	26
- non-audit services (paid to related companies of the auditors)	20	6
	<hr/>	<hr/>
4 Other interest receivable and similar income	£'000	£'000
Bank interest receivable	13	5
	<hr/>	<hr/>

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)**

5	Interest payable and similar charges	2005	2004
		£'000	£'000
	On convertible debenture 2007	75	71
	On bank loans	12	17
	On bank overdraft	103	72
	On finance leases	-	2
	Other	12	4
		<hr/>	<hr/>
		202	166
		<hr/> <hr/>	<hr/> <hr/>
6	Information regarding directors and employees	2005	2004
	Employee costs during the year amounted to:	£'000	£'000
	Wages and salaries	3,547	3,054
	Social security costs	374	331
	Pension costs	126	115
		<hr/>	<hr/>
		4,047	3,500
		<hr/> <hr/>	<hr/> <hr/>

The average number of persons employed by the group was as follows:

	No.	No.
Selling and distribution	73	66
Administration	25	21
	<hr/>	<hr/>
	98	87
	<hr/> <hr/>	<hr/> <hr/>

Directors' remuneration

Directors' remuneration was paid in respect of directors as follows:

	£'000	£'000
Aggregate emoluments (excluding pension contributions)	1,081	744
Company pension contributions to money purchase schemes	43	42
	<hr/>	<hr/>

The remuneration of the highest paid director was as follows:

	£'000	£'000
Aggregate emoluments (excluding pension contributions)	321	156
Company pension contributions to money purchase schemes	10	10
	<hr/>	<hr/>

The number of directors to whom retirement benefits are accruing under the defined contribution pension scheme is 5 (2004: 5).

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)

7	Tax on profit on ordinary activities	2005	2004
		£'000	£'000
<i>(a) Analysis of charge in the year</i>			
<i>Current tax</i>			
	UK corporation tax on profits for the year	654	227
	Adjustments in respect of previous years	1	1
		<hr/>	<hr/>
	<i>Total current tax</i>	655	228
<i>Deferred tax</i>			
	Origination and reversal of timing differences	19	(44)
		<hr/>	<hr/>
	Tax on profit on ordinary activities	674	184
		<hr/> <hr/>	<hr/> <hr/>
<i>Factors affecting the tax charge for the period</i>			
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	642	203
	(Capital allowances in excess of depreciation)/depreciation in excess of capital allowances	(21)	14
	Expenses not deductible for tax purposes	32	29
	Marginal relief (small companies rate)	-	(19)
	Other timing differences	1	-
	Adjustments to tax charge in respect of previous years	1	1
		<hr/>	<hr/>
	Total current tax charge	655	228
		<hr/> <hr/>	<hr/> <hr/>

In 2005 a deferred tax asset of £24,000 (2004: £44,000) has been recognised in respect of an excess of depreciation over capital allowances. The directors believe the benefits of this asset will crystallise in the future.

8	Dividend	2005	2004
		£'000	£'000
	Final dividend payable in respect of the year ended 31 March 2005 of 37p per share (2004: 16p per share)	587	254
		<hr/>	<hr/>

Dividends have been waived in respect of shares held by the Bibendum Employees Benefit Trust.

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)****9 Tangible fixed assets**

GROUP	Total £'000	Freehold land and buildings £'000	Property improve- ments £'000	Office furniture and equipment £'000	Computer equipment £'000
Cost or valuation					
At 31 March 2004	3,326	1,600	600	267	859
Additions	405	-	285	5	115
Disposals	(494)	-	(494)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	3,237	1,600	391	272	974
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 31 March 2004	1,435	-	516	258	661
Charge for the year	169	-	32	10	127
Disposals	(493)	-	(493)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2005	1,111	-	55	268	788
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2005	2,126	1,600	336	4	186
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	1,891	1,600	84	9	198
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included within the above are amounts held under finance lease with a net book value of £nil (2004: £13,648). The depreciation charge in the year for these assets total £14,000 (2004: £29,000).

The cost of the freehold land and buildings to the group as at 31 March 2005 was £700,000 (2004: £700,000).

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)

9 Tangible fixed assets (continued)

COMPANY	Total £'000	Freehold land and buildings £'000	Property improve- ments £'000	Office furniture and equipment £'000	Computer equipment £'000
Cost					
At 31 March 2004	3,326	1,600	600	267	859
Additions	405	-	285	5	115
Disposals	(494)	-	(494)	-	-
At 31 March 2005	3,237	1,600	391	272	974
Depreciation					
At 31 March 2004	1,435	-	516	258	661
Charge for the year	169	-	32	10	127
Disposals	(493)	-	(493)	-	-
At 31 March 2005	1,111	-	55	268	788
Net book value					
At 31 March 2005	2,126	1,600	336	4	186
At 31 March 2004	1,891	1,600	84	9	198

10 Investments held as fixed assets

	Company	
	2005 £'000	2004 £'000
Shares in subsidiaries at cost	708	708
Less: provision for impairment in value	(698)	(698)
	10	10

The company's subsidiaries are as follows:

	Country of incorporation	Holding	Nature of business
Mixbury Trading Company Limited	England	100%	Dormant
The Yorkshire Fine Wine Company Limited	England	100%	Dormant
H Youdell and Company Limited	England	100%	Dormant

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)

11 Stock	Group and Company			
	2005	2004	2005	2004
	£'000	£'000	£'000	£'000
Goods held for resale	5,649		3,344	
<hr/>				
12 Debtors	Group		Company	
	2005	2004	2005	2004
	£'000	£'000	£'000	£'000
Trade debtors	11,782	8,868	11,782	8,868
Other debtors	88	15	88	15
Deferred tax	25	44	25	44
Amounts due to the Employee Benefit Trust (due in over one year)	153	153	153	153
Prepayments and accrued income	428	214	428	214
	<hr/>	<hr/>	<hr/>	<hr/>
	12,476	9,294	12,476	9,294
<hr/>				
13 Creditors: amounts falling due within one year	Group		Company	
	2005	2004	2005	2004
	£'000	£'000	£'000	£'000
Current portion of bank loan (note 14)	70	70	70	70
Bank overdraft	1,630	1,954	1,630	1,954
Obligations under finance leases (note 15)	-	14	-	14
Trade creditors	10,622	6,025	10,622	6,025
Corporation tax	654	227	654	227
Amounts owed to group undertaking	-	-	10	10
Other creditors including taxation and social security	686	581	686	581
Accruals and deferred income	2,157	1,305	2,157	1,305
Dividend payable	586	254	586	254
	<hr/>	<hr/>	<hr/>	<hr/>
	16,405	10,430	16,415	10,440
<hr/>				

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)**

14 Creditors: amounts falling due after more than one year	Group and Company	
	2005	2004
	£'000	£'000
Bank loans	-	70
6% redeemable convertible secured loan stock	1,250	1,250
	<hr/>	<hr/>
	1,250	1,320
	<hr/>	<hr/>
The bank loans are repayable as follows:		
due in less than one year (note 13)	70	70
	<hr/>	<hr/>
due between one and two years	-	70
due between two and five years	-	-
	<hr/>	<hr/>
due in over one year (as above)	-	70
	<hr/>	<hr/>
	70	140
	<hr/>	<hr/>

£70,000 per annum is repayable in equal quarterly instalments up to 2006. Interest is charged on the loan at a fixed rate of 9%. The loan is secured by way of a fixed and floating charge over the assets of the group and by an unlimited guarantee from the subsidiary Mixbury Trading Company Limited.

On 27 July 2002, the company issued £1,250,000 of redeemable convertible secured loan stock at par. The stock carries an interest coupon of 6% per annum and is convertible into ordinary shares at a rate of £4 of stock to one ordinary share in 2007.

15 Finance leases	Group and Company	
	2005	2004
	£'000	£'000
The net finance lease obligations to which the group is committed are:		
Within one year	-	14
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)

16 Called up share capital	£'000	£'000
Authorised		
Ordinary shares of £1 each	2,439	2,439
	<hr/>	<hr/>
Allotted, called up and fully paid	£'000	£'000
Ordinary shares of £1 each	1,588	1,588
	<hr/>	<hr/>

Options on shares have been issued under the Executive Share Option Scheme. The number of shares under option are as follows:

Issue Date	Latest Exercise Date	Exercise Price	No.
28 th May 2003	28 th May 2013	£ 3.29	160,000
1 st September 2004	1 st September 2014	£ 3.50	50,000

17 Profit and loss account	Group	Company
	£'000	£'000
At 31 March 2004	1,170	2,070
Retained profit for the financial year	878	878
	<hr/>	<hr/>
At 31 March 2005	2,048	2,948
	<hr/>	<hr/>

Cumulative goodwill written off to group reserves amounts to £371,000 (2004: £371,000).

18 Revaluation reserve	Group	
	2005	2004
	£'000	£'000
At 31 March 2004	900	200
Surplus on revaluation of property	-	700
	<hr/>	<hr/>
At 31 March 2005	900	900
	<hr/>	<hr/>

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)**

19	Reconciliation of movements in shareholder's funds	Group	
		2005 £'000	2004 £'000
	Profit for the financial year	1,465	491
	Dividend	(587)	(254)
	Surplus on revaluation of property	-	700
		<hr/>	<hr/>
	Net addition to shareholders' funds	878	937
	Opening shareholders' funds	3,651	2,715
		<hr/>	<hr/>
	Closing shareholders' funds	<u>4,529</u>	<u>3,651</u>
		Company	
		2005 £'000	2004 £'000
	Profit for the financial year	1,465	1,019
	Dividend	(587)	(254)
		<hr/>	<hr/>
	Net addition to shareholders' funds	878	765
	Opening shareholders' funds	3,651	2,886
		<hr/>	<hr/>
	Closing shareholders' funds	<u>4,529</u>	<u>3,651</u>

20 Guarantees and other financial commitments

At the balance sheet date, the company had entered into forward foreign exchange contracts with a value amounting to £3,577,000 (2004: £10,310,000).

21	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2005	2004
		£'000	£'000
	Operating profit	2,328	837
	Depreciation charge	169	217
	Loss on disposal of fixed assets	1	-
	Increase in stock	(2,305)	(741)
	Increase in debtors	(3,201)	(1,370)
	Increase in creditors	5,553	1,115
		<hr/>	<hr/>
	Net cash inflow from operating activities	<u>2,545</u>	<u>58</u>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)

22 Reconciliation of net cash flow to movement in net debt	2005	2004
	£'000	£'000
Increase/(decrease) in cash in the period	1,385	(872)
Cash outflow from loans	70	70
Repayment of finance leases	14	29
	<hr/>	<hr/>
Change in net debt	1,469	(773)
Net debt at 1 April 2004	(2,486)	(1,713)
	<hr/>	<hr/>
Net debt at 31 March 2005	(1,017)	(2,486)
	<hr/>	<hr/>

23 Analysis of changes in net debt during the year

	At 1	Cash flows	Other	At 31
	April 2004	Cash flows	changes	March 2005
	£'000	£'000	£'000	£'000
Cash	872	1,061	-	1,933
Bank overdraft	(1,954)	324	-	(1,630)
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,082)	1,385	-	303
Debt due within one year	(70)	70	(70)	(70)
Debt due after one year	(1,320)	-	70	(1,250)
Finance leases	(14)	14	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(2,486)	1,469	-	(1,017)
	<hr/>	<hr/>	<hr/>	<hr/>

24 Operating leases

Bibendum Wine Limited holds motor vehicles and office equipment on non-cancellable operating leases. The annual net commitments under these leases are as follows:

	2005	2004
	£'000	£'000
Leases expiring:		
Within one year	44	14
Between two and five years	94	108
	<hr/>	<hr/>
	138	122
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2005 (continued)

25 Earnings per share

The basic and diluted earnings per share is based upon earnings of £1,465,000 (2004: £491,000) and the weighted average number of shares ranking for dividend during the year of 1,586,188 (2004: 1,586,188).

The fully-diluted earnings per share is based upon earnings of £1,540,000 (2004: £562,000) being earnings as for the basic earnings per share calculation adjusted for interest payable on convertible loan stock during the year of £75,000 (2004: £71,000) and interest payable on the convertible debenture of nil (2004: £50,000). The weighted average number of shares of 2,108,688 (2004: 2,058,688) has been calculated by taking the weighted average number of shares ranking for dividend and adjusted for potential equity shares.

26 Related party transactions

During the year the company purchased £10,000 of wine from Michael Saunders, a director of the company.

Funds totalling £153,000 in respect of shares sold by the Bibendum Wine Employee Share Option Plan (2004: £153,000) are due from the directors on 25 June 2007.

The parent company has taken the advantage of the exemption in FRS 8 concerning related party transactions with its 100% owned subsidiaries.

27 Capital commitments

Capital expenditure authorised and contracted for but not provided for in the accounts amounts to £278,000 (2004: nil). The expenditure relates to the refurbishment of the group's head office.