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**BIBENDUM WINE LIMITED**

**REPORT AND ACCOUNTS**

**For the year ended**

**31 MARCH 2006**



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COMPANIES HOUSE 20/06/2006

**BIBENDUM WINE LIMITED**

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**BIBENDUM WINE LIMITED**

**COMPANY INFORMATION**

REGISTERED NUMBER 2218928

DIRECTORS  
P I Espenhahn (Non-executive Chairman)  
M P Saunders (Managing Director)  
B J Collins  
W O Lebus  
J J Young  
S C Farr  
A J Arkwright (Non-executive Director)  
J Bourland (Non-executive Director)  
A Vinton (Non-executive Director)

SECRETARY J J Young

REGISTERED OFFICE 113 Regents Park Road  
London NW1 8UR

BANKERS Royal Bank of Scotland plc  
Buckingham Branch  
2 Market Hill  
Buckingham MK18 1JS

AUDITORS Nexia Smith & Williamson  
Chartered Accountants  
25 Moorgate  
London EC2R 6AY

TAXATION & FINANCIAL  
ADVISORS Smith & Williamson  
Chartered Accountants  
25 Moorgate  
London EC2R 6AY

## **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 2006.

#### **Principal activities and business review**

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

Group turnover had increased by 36% from £55,108,000 to £74,760,000. The operating profit for the year, including joint ventures, was £2,387,000 (2005: £2,328,000), whilst the profit after taxation was £1,436,000 (2005: £1,465,000).

This year Bibendum includes in its accounts a share of joint venture operating profit of £141,000 (2005: £nil) which relates to the Argento Wine Company.

A final dividend for the year ended 31 March 2006 of 33p per share (2005: 37p per share) is to be paid on 12 July 2006.

#### **Financial risk management**

##### **Foreign exchange risk**

The Group's major transactional exposures are to Australian dollar and Euro flows out of the UK.

The Group's exposure to transactional (or non structural) foreign exchange risks i.e. those arising from transactions that are not denominated in sterling is managed where possible by matching revenues with costs in the same currencies.

The Group has historically taken the decision to hedge its foreign exchange exposure, mainly to the Australian dollar and the Euro; this hedging has taken the form of financial contracts to purchase set amounts of currency at a range of prices. The current contracts in place are disclosed in note 20.

This policy is monitored actively and may be revised should the values of non sterling denominated transactions change substantially. Formal Board approval would be required for any such change.

##### **Interest rate risk**

The Group currently does not have any borrowings other than bank loans and overdraft which attract interest at a rate of 1.5% above the bank's base rate. The company's interest rate exposure is therefore related to the bank's base rate. The company has historically taken the decision to accept the risk of increased interest charges resulting from increased interest rates and the company does not intend to change this policy in the immediate future.

##### **Credit risk**

The Group has implemented policies that required appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to limit, which is reassessed on a periodic basis.

# BIBENDUM WINE LIMITED

## DIRECTORS' REPORT (continued)

### Directors and their interests

The directors at the year end and their interests in the shares of the company are shown below:

	Ordinary shares of £1 each	
	31 March 2006	31 March 2005
P I Espenhahn	39,361	30,000
M P Saunders	134,164	132,776
B J Collins	152,512	152,512
S C Farr	237,455	179,721
W O Lebus	151,017	144,455
A J Arkwright	54,069	50,000
J Bourland	-	-
A Vinton	60,000	60,000
J J Young (appointed 24 February 2006)	-	-

In addition M P Saunders holds options over 80,000 (2005: 80,000) of the company's ordinary shares, and W O Lebus holds options over 5,000 (2005: 5,000).

A W Hibbert resigned as a director on 24 February 2006. D A Jago resigned as a director on 28 February 2006.

### Charitable donations

During the year the company made charitable donations of £2,500 (2005: £2,000).

### Disclosure of information to the auditors

Each director of the company has confirmed that in fulfilling their duties as a director:

- they have taken all the necessary steps to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditors have not been made aware

### Auditors

After the year end our auditors, Nexia Audit Limited, changed their name to Nexia Smith & Williamson Audit Limited and now trade as Nexia Smith & Williamson. A resolution to reappoint the auditors, Nexia Smith & Williamson, will be proposed at the next AGM.

Approved by the board of directors and signed on behalf of the board

  
J J Young  
SECRETARY

## **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 Smith & Williamson

## Independent auditors' report to the shareholders of Bibendum Wine Limited

We have audited the accounts of the Group and parent company ('the accounts') of Bibendum Wine Limited for the year ended 31 March 2006 which comprise the Consolidated profit and loss account, the Consolidated and Company balance sheets, the Consolidated cash flow statement and the related notes 1 to 28. These accounts have been prepared under 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

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 state in our report whether in our opinion the information given in the Directors' Report is consistent with the accounts. We also report to you if, in our opinion, 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.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 31 March 2006 and of the Group's profit;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

*Nexia Smith & Williamson*

Nexia Smith & Williamson  
Chartered Accountants  
Registered Auditors

25 Moorgate  
London  
EC2R 6AY

19. 6. 2006

**BIBENDUM WINE LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2006**

	Notes	2006 £'000	2006 £'000	2005 £'000
Turnover		76,300		55,108
Less: joint venture turnover		(1,540)		-
<b>Turnover - Group</b>	2		74,760	55,108
Cost of sales			(63,287)	(45,156)
<b>Gross profit</b>			11,473	9,952
Selling and distribution costs			(6,034)	(4,700)
Administrative expenses			(3,193)	(2,924)
<b>Group operating profit</b>	3		2,246	2,328
Share of joint venture operating profit			141	-
<b>Operating profit including joint venture</b>			2,387	2,328
Other interest receivable and similar income	4		21	13
Interest payable and similar charges	5		(327)	(202)
<b>Profit on ordinary activities before taxation</b>			2,081	2,139
Tax on profit on ordinary activities	7		(645)	(674)
<b>Profit for the year</b>			1,436	1,465
Earnings per share	25		89.7p	92.3p
Fully-diluted earnings per share	25		71.5p	73.0p

There are no recognised gains or losses in either year other than the profit stated.

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



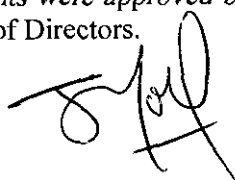
**BIBENDUM WINE LIMITED**

**CONSOLIDATED BALANCE SHEET as at 31 MARCH 2006**

	Notes	2006 £'000	2005 (restated) £'000
<b>Fixed assets</b>			
Tangible assets	9	3,014	2,126
Investment in joint venture:			
Share of gross assets		680	-
Share of gross liabilities		(572)	-
		108	-
		<hr/>	<hr/>
		3,122	2,126
		<hr/>	<hr/>
<b>Current assets</b>			
Stock	11	5,710	5,649
Debtors	12	17,539	12,476
Cash at Bank		1,076	1,933
		<hr/>	<hr/>
		24,325	20,058
<b>Creditors: amounts falling due within one year</b>	13	(19,129)	(15,819)
		<hr/>	<hr/>
<b>Net current assets</b>		5,196	4,239
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		8,318	6,365
<b>Creditors: falling due after more than one year</b>	14	(804)	(1,250)
		<hr/>	<hr/>
<b>Net assets</b>		7,514	5,115
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	15	1,991	1,588
Share premium account	16	1,146	-
Own shares in EBT		(7)	(7)
Revaluation reserve	17	900	900
Profit and loss account	18	3,484	2,634
		<hr/>	<hr/>
<b>Shareholders' funds</b>	19	7,514	5,115
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 25 May 2006 and were signed on behalf of the Board of Directors.

J J Young  
Director

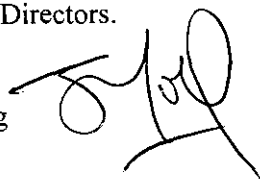


**BIBENDUM WINE LIMITED****COMPANY BALANCE SHEET as at 31 MARCH 2006**

	Note	2006 £'000	2005 (restated) £'000
<b>Fixed assets</b>			
Tangible assets	9	3,014	2,126
Investments	10	10	10
		<hr/>	<hr/>
		3,024	2,136
<b>Current assets</b>			
Stock	11	5,710	5,649
Debtors	12	17,539	12,476
Cash at Bank		1,076	1,933
		<hr/>	<hr/>
		24,325	20,058
<b>Creditors: amounts falling due within one year</b>	13	(19,139)	(15,829)
		<hr/>	<hr/>
<b>Net current assets</b>		5,186	4,229
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		8,210	6,365
<b>Creditors: falling due after more than one year</b>	14	(804)	(1,250)
		<hr/>	<hr/>
<b>Net assets</b>		7,406	5,115
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	15	1,991	1,588
Share premium account	16	1,146	-
Own shares in EBT		(7)	(7)
Profit and loss account	18	4,276	3,534
		<hr/>	<hr/>
<b>Shareholders' funds</b>	19	7,406	5,115
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 25 May 2006 and were signed on behalf of the Board of Directors.

J J Young  
Director



**BIBENDUM WINE LIMITED****CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 MARCH 2006**

	Notes	2006 £'000	2005 £'000
Net cash (outflow)/inflow from operating activities	21	(748)	2,545
<b>Returns on investments and servicing of finance</b>			
Interest received		18	13
Interest paid		(327)	(202)
Net cash outflow for returns on investments and servicing of finance		(309)	(189)
<b>Taxation</b>			
Net tax paid		(1,065)	(227)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(1,204)	(405)
Cash (outflows)/inflows before financing		(3,326)	1,724
<b>Financing</b>			
New bank loan		1,000	-
Repayment of bank loan		(123)	(70)
Proceeds of new share capital issued		300	-
Capital element of finance lease payments		-	(14)
Equity dividend paid		(587)	(255)
(Decrease)/increase in cash	22	(2,736)	1,385

## **BIBENDUM WINE LIMITED**

### **NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006**

#### **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 2006.

Joint ventures in which the Group has a long term interest and shares control under a contractual agreement with other parties are accounted for using the gross equity method.

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 Benefit Trust**

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 2006 (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 2006 (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

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

##### Prior year adjustment

The prior year figures have been restated to reflect the change in the dividend disclosures in order to comply with Financial Reporting Standard 21 "Events after the balance sheet date". In previous years the dividends have been accounted for under the accruals basis, with proposed dividends charged in the year the dividend related to. However, dividends are only reflected once they have been agreed by the shareholders, which has resulted in a prior year adjustment as set out in the subsequent notes.

2	<b>Turnover</b>	<b>2006</b>	<b>2005</b>
		<b>£'000</b>	<b>£'000</b>
	United Kingdom	73,235	54,196
	Rest of World	1,525	912
		<hr/>	<hr/>
		74,760	55,108
		<hr/>	<hr/>
3	<b>Operating profit</b>	<b>2006</b>	<b>2005</b>
	Operating profit is stated after charging:	<b>£'000</b>	<b>£'000</b>
	Depreciation	316	170
	Operating leases -- other assets	161	159
	Auditors' remuneration		
	- audit (of which £33,500 (2005: £24,500) relates to the parent company)	34	29
	- non-audit services (paid to related companies of the auditors)	14	20
		<hr/>	<hr/>

**BIBENDUM WINE LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)**

<b>4</b>	<b>Other interest receivable and similar income</b>	<b>2006</b>	<b>2005</b>
		<b>£'000</b>	<b>£'000</b>
	Bank interest receivable	18	13
	Share of joint venture interest receivable	3	-
		<hr/>	<hr/>
		21	13
		<hr/>	<hr/>
<b>5</b>	<b>Interest payable and similar charges</b>	<b>2006</b>	<b>2005</b>
		<b>£'000</b>	<b>£'000</b>
	Interest on bank loans and overdraft	234	115
	Interest on other loans	93	87
		<hr/>	<hr/>
		327	202
		<hr/>	<hr/>
<b>6</b>	<b>Information regarding directors and employees</b>	<b>2006</b>	<b>2005</b>
	Employee costs during the year amounted to:	<b>£'000</b>	<b>£'000</b>
	Wages and salaries	4,200	3,547
	Social security costs	532	374
	Pension costs	143	126
		<hr/>	<hr/>
		4,875	4,047
		<hr/>	<hr/>

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

	<b>2006</b>	<b>2005</b>
	<b>No.</b>	<b>No.</b>
Selling and distribution	78	73
Administration	25	25
	<hr/>	<hr/>
	103	98
	<hr/>	<hr/>

**Directors' remuneration**

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

	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments (excluding pension contributions)	853	1,081
Company pension contributions to money purchase schemes	44	43
	<hr/>	<hr/>

**BIBENDUM WINE LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)**

**6 Information regarding directors and employees (continued)**

	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
The remuneration of the highest paid director was as follows:		
Aggregate emoluments (excluding pension contributions)	288	321
Company pension contributions to money purchase schemes	11	10

The highest paid director did not receive any share options in the year. No directors at 31 March 2006 exercised share options in the year.

The number of directors to whom retirement benefits are accruing under the defined contribution pension scheme is 4 (2005: 5).

**Compensation for loss of office**

During the year the Group paid £58,500 to a director in respect of compensation for the loss of office.

**7 Tax on profit on ordinary activities**

	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
(a) Analysis of charge in the year		
<i>Current tax</i>		
UK corporation tax on profits for the year	581	654
Share of joint venture tax	36	-
Adjustments in respect of previous years	28	1
<i>Total current tax</i>	645	655
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	19
Tax on profit on ordinary activities	645	674
<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% (2005: 30%)	624	642
Depreciation in excess of capital allowances/(Capital allowances in excess of depreciation)	1	(21)
Expenses not deductible for tax purposes	35	32
Marginal relief on joint venture tax	(9)	-
Income not taxable	(34)	1
Adjustments to tax charge in respect of previous years	28	1
Total current tax charge	645	655

In 2006 a deferred tax asset of £25,000 (2005: £25,000) 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.



**BIBENDUM WINE LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)**

<b>8</b>	<b>Dividend</b>	<b>2006</b>	<b>2005</b>
		<b>£'000</b>	<b>£'000</b>
	Dividend paid 37p per share (2005: 16p per share)	586	254

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

**9 Tangible fixed assets**

<b>Group and Company</b>	<b>Total £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Property improve- ments £'000</b>	<b>Office furniture and equipment £'000</b>	<b>Computer equipment £'000</b>
<b>Cost or valuation</b>					
At 31 March 2005	3,237	1,600	391	272	974
Additions	1,204	-	1,024	14	166
At 31 March 2006	4,441	1,600	1,415	286	1,140
<b>Depreciation</b>					
At 31 March 2005	1,111	-	55	268	788
Charge for the year	316	-	174	13	129
At 31 March 2006	1,427	-	229	281	917
<b>Net book value</b>					
At 31 March 2006	3,014	1,600	1,186	5	223
At 31 March 2005	2,126	1,600	336	4	186

The cost of the freehold land and buildings to the Group as at 31 March 2006 was £700,000 (2005: £700,000).

**BIBENDUM WINE LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)**

**10 Investments held as fixed assets**

	<b>Company</b>	
	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Shares in subsidiaries at cost	708	708
Less: provision for impairment in value	(698)	(698)
	10	10
	10	10

The company's subsidiaries are as follows:

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

Additionally, Mixbury Trading Company Limited has the following interests:

	Country of incorporation	Holding	Nature of business
The Argento Wine Company Limited	England	33⅓%	Wine trading

On liquidation of The Argento Wine Company Limited, the International Wine Investment Fund would receive the first £3million of net assets, with each shareholder receiving their proportion of the remaining net assets.

**11 Stock**

	<b>Group and Company</b>	
	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Goods held for resale	5,710	5,649
	5,710	5,649

**12 Debtors**

	<b>Group and Company</b>	
	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	16,838	11,782
Other debtors	25	88
Deferred tax	25	25
Amounts due to the Employee Benefit Trust (due in over one year)	153	153
Prepayments and accrued income	498	428
	17,539	12,476
	17,539	12,476

**BIBENDUM WINE LIMITED****NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)****13 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>(restated)</b>	<b>£'000</b>	<b>(restated)</b>
		<b>£'000</b>		<b>£'000</b>
Current portion of bank loan (note 14)	143	70	143	70
Bank overdraft	3,509	1,630	3,509	1,630
Obligations under finance leases (note 15)	-	-	-	-
Trade creditors	12,112	10,622	12,112	10,622
Corporation tax	200	654	200	654
Amounts owed to Group undertaking	-	-	10	10
Other creditors including taxation and social security	760	686	760	686
Accruals and deferred income	2,405	2,157	2,405	2,157
	<u>19,129</u>	<u>15,819</u>	<u>19,139</u>	<u>15,829</u>

The overdraft is secured by a fixed and floating charge over all the current and future assets of Bibendum Wine Limited, as well as over the freehold land and buildings of the Group. Interest is charged at 1.5% above the Royal Bank of Scotland base rate.

**BIBENDUM WINE LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)**

14 Creditors: amounts falling due after more than one year	<b>Group and Company</b>	
	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	804	-
6% redeemable convertible secured loan stock	-	1,250
	<hr/>	<hr/>
	804	1,250
	<hr/>	<hr/>
The bank loans are repayable as follows: due in less than one year (note 13)	143	70
	<hr/>	<hr/>
due between one and two years	143	-
due between two and five years	426	-
due in more than five years	237	-
	<hr/>	<hr/>
due in over one year (as above)	804	-
	<hr/>	<hr/>
	947	70
	<hr/>	<hr/>

The bank loan is secured by way of a fixed and floating charge over the Group's land and buildings and associated other assets. The loan is repayable over 7 years and incurs an interest rate of 1.5% over the Royal Bank of Scotland base rate.

During the year, the Group converted the £1,250,000 convertible secured loan stock into 312,500 ordinary shares (see note 15).

15 Called up share capital	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
2,438,700 (2005: 2,438,700) ordinary shares of £1 each	2,439	2,439
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>	<b>£'000</b>	<b>£'000</b>
1,991,188 (2005: 1,588,688) ordinary shares of £1 each	1,991	1,588
	<hr/>	<hr/>

**BIBENDUM WINE LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)**

**15 Called up share capital (continued)**

On 15 February 2006, the company issued 5,000 £1 ordinary shares at a price of £3.50 pursuant to the exercise of share options.

On 20 March 2006, the company issued 5,000 £1 ordinary shares at £3.50 a share and 30,395 £1 ordinary shares at £3.29 per share pursuant to the exercise of share options. On 23 March 2006 the company issues 49,605 £1 ordinary shares at £3.29 a share, again pursuant to the exercise of share options.

On 15 March 2006, the company issued 312,500 £1 ordinary shares at £4 per share on redemption of convertible secured loan stock.

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

<b>Date first exercisable</b>	<b>Date on which the exercise period ends</b>	<b>Exercise Price per ordinary share</b>	<b>Number of ordinary shares</b>
28 May 2003	28 May 2013	£3.29	80,000
1 September 2004	1 September 2014	£3.50	40,000

**16 Share premium account**

	<b>Group 2006 £'000</b>	<b>Company 2006 £'000</b>
At 31 March 2005	-	-
Premium on issue of shares	1,146	1,146
At 31 March 2006	1,146	1,146

**17 Revaluation reserve**

	<b>Group</b>	
	<b>2006 £'000</b>	<b>2005 £'000</b>
At 31 March 2006 and 31 March 2005	900	900

**BIBENDUM WINE LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)**

<b>18 Profit and loss account</b>	<b>Group</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>
At 31 March 2005	2,048	2,948
Prior year adjustment – adoption of FRS21	586	586
	<hr/>	<hr/>
At 31 March 2005 – as restated	2,634	3,534
Profit for the financial year	1,436	1,328
Dividend paid	(586)	(586)
	<hr/>	<hr/>
At 31 March 2006	3,484	4,276
	<hr/> <hr/>	<hr/> <hr/>

Cumulative goodwill written off to Group reserves amounts to £371,000 (2005: £371,000).

<b>19 Reconciliation of movements in shareholders' funds</b>	<b>Group</b>	
	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>(restated)</b>
		<b>£'000</b>
Profit for the financial year	1,436	1,465
Dividend	(586)	(254)
Share capital issued	1,549	-
	<hr/>	<hr/>
Net addition to shareholders' funds	2,399	1,211
Opening shareholders' funds as previously stated	5,115	4,529
Prior year adjustment – adoption of FRS 21	-	(625)
	<hr/>	<hr/>
Closing shareholders' funds	7,514	5,115
	<hr/> <hr/>	<hr/> <hr/>

**BIBENDUM WINE LIMITED****NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)****19 Reconciliation of movements in shareholders' funds (continued)**

	Company	
	2006	2005
	£'000	(restated) £'000
Profit for the financial year	1,328	1,465
Dividend	(586)	(254)
Share capital issued	1,549	-
	<hr/>	<hr/>
Net addition to shareholders' funds	2,291	1,211
Opening shareholders' funds as previously stated	5,115	4,529
Prior year adjustment – adoption of FRS 21	-	(625)
	<hr/>	<hr/>
Closing shareholders' funds	7,406	5,115
	<hr/>	<hr/>

**20 Guarantees and other financial commitments**

At 31 March 2006, the company had entered into forward foreign exchange contracts with a value amounting to £8,666,000 (2005: £3,577,000).

	2006	2005
	£'000	£'000
<b>21 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities</b>		
Group operating profit	2,246	2,328
Depreciation charge	316	169
Loss on disposal of fixed assets	-	1
(Increase)/decrease in stock	(61)	(2,305)
(Increase)/decrease in debtors	(5,061)	(3,201)
Increase/(decrease) in creditors	1,812	5,553
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(748)	2,545
	<hr/>	<hr/>

**BIBENDUM WINE LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)**

22 Reconciliation of net cash flow to movement in net debt	2006 £'000	2005 £'000
(Decrease)/increase in cash in the period	(2,736)	1,385
Cash (inflow)/outflow from loans	(877)	70
Repayment of finance leases	-	14
Conversion of loan stock to ordinary shares	1,250	-
Change in net debt	(2,363)	1,469
Net debt at 1 April 2005	(1,017)	(2,486)
Net debt at 31 March 2006	(3,380)	(1,017)

**23 Analysis of changes in net debt during the year**

	At 1 April 2005 £'000	Cash flows £'000	Other changes £'000	At 31 March 2006 £'000
Cash	1,933	(857)	-	1,076
Bank overdraft	(1,630)	(1,879)	-	(3,509)
		(2,736)		
Debt due within one year	(70)	(73)		(143)
Debt due after one year	(1,250)	(804)	1,250	(804)
	(1,017)	(3,613)	1,250	(3,380)



## BIBENDUM WINE LIMITED

### NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2006 (continued)

#### 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:

	2006 £'000	2005 £'000
Leases expiring:		
Within one year	59	44
Between two and five years	102	94
	<hr/>	<hr/>
	161	138
	<hr/>	<hr/>

#### 25 Earnings per share

The basic and diluted earnings per share is based upon earnings of £1,436,000 (2005: £1,465,000) and the weighted average number of shares ranking for dividend during the year of 1,600,743 (2005: 1,586,188).

The fully-diluted earnings per share is based upon earnings of £1,508,000 (2004: £1,540,000) being earnings as for the basic earnings per share calculation adjusted for interest payable on convertible loan stock during the year of £72,000 (2005: £75,000). The weighted average number of shares of 2,108,688 (2005: 2,108,688) has been calculated by taking the weighted average number of shares ranking for dividend and adjusted for potential equity shares.

#### 26 Related party transactions

Funds totalling £153,000 in respect of shares sold by the Bibendum Wine Employee Benefit Trust (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 £nil (2005: £278,000). The expenditure related to the refurbishment of the Group's head office.

#### 28 Post balance sheet events

The directors recommend a final dividend for the year ended 31 March 2006 of 33p per share (2005: 37p per share).