Grant Thornton

Financial Statements
Bibendum Wine Limited

For the year ended 31 March 2012

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COMPANIES HOUSE

Registered number: 2218928

Company Information

Directors	M P Saunders R S Cochrane J S P Kowszun K Papworth (appointed 1 August 2011) F Cochran (appointed 25 August 2011) R Smyllie (appointed 19 July 2011) S Farr (resigned 26 April 2011) S Farr (appointed 22 February 2012)
Company number	2218928
Registered office	113 Regents Park Road London NW1 8UR
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	Royal Bank of Scotland 2 Market Hill Buckingham MK18 1JS

Contents

Directors' Report
For the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Principal activities

The principal activities of the Group are the importation and distribution of wine and spirits and the worldwide sale of the branded wines of The Argento Wine Company Limited

Business review

The Group's strategy and focus remains unchanged from last year In a challenging market, we continue to strive to grow the business through the delivery of a consistently excellent experience for our customers in the following areas

- Our wines
- Our service levels
- The consumer and market insight we provide
- Our "Added Value" approach to business

As stated last year, focus on our three strategic drivers will help us to deliver on this promise, whilst continuing to improve our business efficiency and working capital management The three drivers are

- Continuously improving productivity throughout the business
- Adding value to our customers
- Enhancing capability through investment in people, development and training

The key performance indicators used to manage the business remain unchanged The areas that are objectively measured and have performance targets set against them are as follows

- Growth in sales and gross profit against pre-set targets
- Consistently tight control over overheads, without damaging service levels
- Management of each element of working capital
- Customer satisfaction with our products, people and services
- Employee satisfaction

During the year, Group turnover increased by 5% to £184 9m (2011 £176 9m) with gross profit increasing by 11% to £26 6m (2011 £24 0m) over the same period The improvement in gross profit is particularly pleasing as it has been based on gross margin (as a percentage of sales) increasing to 14 4% (2011 13 6%), which shows a recovery to 2009 levels The increase in gross margin is driven by solid performance across the business channels, rather than as a result of mix and is underpinned by efficiency gains made in both shipping and warehousing Our on-going focus on the key strategic drivers set out above and the efficiency gains that delivering on them brings, have once again allowed operating profit to grow by more than gross profit in percentage terms This has resulted in an increase in operating profit for the year of 22% to £3 9m (2011 £3 2m) and an increase in the operating margin to 2 1% of sales (2011 1 8%)

Net debt for the Group at the year end increased by £2 8m to £12 9m (2011 £10 1m) This increase in net debt was driven by the working capital requirements of delivering on-going business performance, specifically, a £1 6m increase in our year-end inventory position and a £4 4m reduction in trade creditors, off-set by a £2 6m reduction in trade debtors The increase in net debt was also attributable to increased taxation payments, capital spend and dividend payments, as noted in the consolidated cash flow statement The net interest charge has therefore increased to £0 4m (2011 £0 3m) Interest rates remain low and we continue to benefit from strong and stable banking arrangements

Profit before tax has increased by 25% to £3 5m (2011 £2 8m)

Directors' Report
For the year ended 31 March 2012

Results

The profit for the year, after taxation and minority interests, amounted to £2,728,000 (2011 - £2,029,000)

Directors

The directors who served during the year were

M P Saunders
R S Cochrane
J S P Kowszun
K Papworth (appointed 1 August 2011)
F Cochran (appointed 25 August 2011)
R Smyllie (appointed 19 July 2011)
S Farr (resigned 26 April 2011, reappointed 22 February 2012)

Principal risks and uncertainties

Financial risk management objectives and policies
The group uses various financial instruments including loans, cash, equity instruments and various items such as trade debtors and creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the group's operations

The main risks arising from the group's financial instruments are foreign exchange risk, interest rate risk and credit risk The directors review and agree policies for managing each of these risks and they are summarised below These policies remain unchanged from previous years

Foreign exchange risk
The group's major transactional exposures are to New Zealand dollar, Australian dollar and Euro outflows from 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 usually hedges its foreign exchange exposure, mainly in respect of the New Zealand dollar, Australian dollar and the Euro This hedging takes the form of financial contracts to purchase set amounts of currency at a range of prices The quantum of current contracts in place is disclosed in note 29

This policy will be monitored actively and may be revised should the values of non-sterling denominated transactions change substantially within the UK operations Formal Board approval would be required for any such change

Interest rate risk
The group's current borrowings include a bank overdraft which attracts interest at a rate related to The Royal Bank of Scotland base rate and a seven year bank loan attracting interest at a similar rate The Group's interest rate exposure is therefore related to the bank's base rate Over the last few years, the group has taken the decision to accept the risk of increased interest charges resulting from increased interest rates However, in the current economic environment, the Board reviews this policy regularly and is ready to implement a hedging programme when it deems it economically prudent to do so

Credit risk
The group has implemented policies that require appropriate credit checks on potential customers before sales are

made The amount of exposure to any individual counterparty is subject to a limit, which is reassessed on a periodic basis

Land and buildings

At 31 March 2010, the Directors engaged Vail Williams to complete a full valuation of the group's freehold property The valuation indicated that the open market value of the property was £2,900,000 No valuation has been completed during the financial year ended 31 March 2012

Events since the end of the year

On 2 May 2012, Bibendum Wine Limited acquired the remaining 34% of the share capital of The Argento Wine Company Limited ("AWC") that the Group did not already own These shares were purchased for their nominal value ($18) in cash at completion and so have no material impact on the net book value of AWC Acquiring the remaining shares gives us full control of the future strategy of AWC and will enable us to implement the changes required to return the business to profitability and growth

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

Directors' Report
For the year ended 31 March 2012

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 15 June 2012 and signed on its behalf

J S P Kowszun
Director

Grant Thornton

Independent Auditor's Report to the Members of Bibendum Wine Limited

We have audited the financial statements of Bibendum Wine Limited for the year ended 31 March 2012, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 Auditor's 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 auditor
As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Grant Thornton

Independent Auditor's Report to the Members of Bibendum Wine Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mark Henshaw (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
London (Euston)

15 June 2012

Consolidated Profit and Loss Account

For the year ended 31 March 2012

	Note	2012 £000	2011 £000
Turnover			
Group and share of joint venture's turnover		**185,095**	177,145
Less share of joint venture's turnover		**(240)**	(284)
Group turnover	1,2	**184,855**	176,861
Cost of sales		**(158,234)**	(152,812)
Gross profit		**26,621**	24,049
Distribution costs		**(13,791)**	(12,314)
Administrative expenses		**(8,895)**	(8,579)
Operating profit	3	**3,935**	3,156
Share of operating profit in joint ventures		**9**	4
Total operating profit		**3,944**	3,160
Interest receivable and similar income	7	**12**	34
Interest payable and similar charges	8	**(417)**	(355)
Profit on ordinary activities before taxation		**3,539**	2,839
Tax on profit on ordinary activities	9	**(945)**	(899)
Profit on ordinary activities after taxation		**2,594**	1,940
Minority interests		**134**	89
Profit for the financial year	20	**2,728**	2,029

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 11 to 28 form part of these financial statements

Consolidated Balance Sheet
As at 31 March 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Intangible assets	11		**2,053**		2,202
Tangible assets	12		**3,606**		3,413
Investments in joint ventures					
-Share of gross assets		**84**		140	
-Share of gross liabilities		**(23)**		(87)	
Share of net assets	13		**61**		53
			5,720		5,668
Current assets					
Stocks	14	**16,122**		14,495	
Debtors	15	**44,023**		46,061	
Cash at bank and in hand		**1,927**		2,961	
		62,072		63,517	
Creditors amounts falling due within one year	16	**(52,024)**		(55,455)	
Net current assets			**10,048**		8,062
Total assets less current liabilities			**15,768**		13,730
Creditors: amounts falling due after more than one year	17		**-**		(46)
Net assets			**15,768**		13,684
Capital and reserves					
Called up share capital	19		**2,010**		2,010
Share premium account	20		**1,192**		1,192
Revaluation reserve	20		**1,730**		1,730
Other reserves	20		**72**		72
Profit and loss account	20		**10,364**		8,146
Shareholders' funds	21		**15,368**		13,150
Minority interests	23		**400**		534
			15,768		13,684

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 June 2012

J S P Kowszun
Director

The notes on pages 11 to 28 form part of these financial statements

Company Balance Sheet
As at 31 March 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Tangible assets	12		**3,581**		3,413
Investments	13		**4,165**		4,165
			7,746		7,578
Current assets					
Stocks	14	**16,059**		14,218	
Debtors	15	**41,029**		42,846	
Cash at bank		**1,322**		2,474	
		58,410		59,538	
Creditors amounts falling due within one year	16	**(51,151)**		(54,583)	
Net current assets			**7,259**		4,955
Total assets less current liabilities			**15,005**		12,533
Creditors amounts falling due after more than one year	17		-		(46)
Net assets			**15,005**		12,487
Capital and Reserves					
Called up share capital	19		**2,010**		2,010
Share premium account	20		**1,192**		1,192
Revaluation reserve	20		**830**		830
Other reserves	20		**72**		72
Profit and loss account	20		**10,901**		8,383
Shareholders' funds	21		**15,005**		12,487

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 June 2012

J S P Kowszun
Director

The notes on pages 11 to 28 form part of these financial statements

Consolidated Cash Flow Statement

For the year ended 31 March 2012

	Note	2012 £000	2011 £000
Net cash flow from operating activities	24	**106**	1,876
Returns on investments and servicing of finance	25	**(405)**	(321)
Taxation	25	**(1,261)**	(838)
Capital expenditure and financial investment	25	**(795)**	(542)
Equity dividends paid		**(510)**	-
Cash (outflow)/inflow before financing		**(2,865)**	175
Financing	25	**(173)**	(167)
(Decrease)/Increase in cash in the year		**(3,038)**	8

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 March 2012

	2012 £000	2011 £000
(Decrease)/Increase in cash in the year	**(3,038)**	8
Cash outflow from decrease in debt and lease financing	**173**	167
Movement in net debt in the year	**(2,865)**	175
Net debt at 1 April 2011	**(10,100)**	(10,275)
Net debt at 31 March 2012	**(12,965)**	(10,100)

The notes on pages 11 to 28 form part of these financial statements

Notes to the Financial Statements
For the year ended 31 March 2012

1. Accounting Policies

1 1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards

1 2 Basis of consolidation

The financial statements consolidate the accounts of Bibendum Wine Limited and all of its subsidiary undertakings ('subsidiaries')

1 3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

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 from en primeur sales is recognised upon delivery of the goods to the customer

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised to the Profit and loss account over its estimated economic life

The company has taken advantage of the transitional provision of FRS 10 "Goodwill and intangible assets" Goodwill relating to acquisitions in years prior to the year ended 31 March 1999 was written off directly to the profit and loss reserves Such 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

Acquired brands are recognised when they are controlled through contractual or other legal rights and the fair value can be reliably measured

Amortisation is provided at the following rates

Goodwill	-	20 years
Brands	-	20 years

Notes to the Financial Statements

For the year ended 31 March 2012

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation Depreciation is not charged on freehold land Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	15% per annum
Property improvements	-	15% per annum
Fixtures, fittings and equipment	-	33% per annum

No depreciation is provided on the freehold land and buildings The proportion of the land and buildings attributable to the buildings is immaterial and consequently depreciation would not, in the opinion of the directors, be material and therefore no provision has been made

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account

1 7 Investments

(i) Subsidiary undertakings
Investments in subsidiaries are valued at cost less provision for impairment

(ii) Joint venture undertakings
Investments in joint ventures are stated at the company's share of net assets The company's share of the profits or losses of the joint ventures is included in the Profit and loss account using the equity accounting basis

(iii) Other investments
Investments held as fixed assets are shown at cost less provision for impairment

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

Notes to the Financial Statements
For the year ended 31 March 2012

1. Accounting Policies (continued)

1 9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks Stock is released on a FIFO basis

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

Deferred tax is recognised in respect of the retained earnings of an overseas subsidiary, associate or joint venture only to the extent that there is a commitment to remit the earnings

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1 11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1 12 Share based payments

The group issues equity-settled share-based payments to certain employees (including directors) Equity-settled share-based payments are measured at fair value at the date of grant The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the group's estimate of the shares that will eventually vest

Fair value is measured using the Black Scholes option pricing model The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations

Notes to the Financial Statements

For the year ended 31 March 2012

2. Turnover

The whole of the turnover is attributable to the two principal activities of the group

A geographical analysis of turnover is as follows

	2012 £000	2011 £000
United Kingdom	175,151	164,110
Rest of European Union	6,672	9,359
Rest of world	3,032	3,392
	184,855	176,861

3. Operating profit

The operating profit is stated after charging

	2012 £000	2011 £000
Amortisation - intangible fixed assets	149	149
Depreciation of tangible fixed assets		
- owned by the group	602	619
Operating lease rentals		
- plant and machinery	191	110
- other operating leases	59	48
Equity settled share based payments	-	14

4. Auditors' remuneration

	2012 £000	2011 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	38	38
Fees payable to the company's auditor and its associates in respect of		
The auditing of accounts of associates of the company pursuant to legislation	5	4
Other services supplied pursuant to such legislation	4	6
Other services relating to taxation	50	50

Notes to the Financial Statements
For the year ended 31 March 2012

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £000	2011 £000
Wages and salaries	**11,098**	10,065
Social security costs	**1,283**	1,148
Other pension costs	**320**	277
Share-based payments	**-**	14
	12,701	11,504

The average monthly number of employees, including the directors, during the year was as follows

	2012 No	2011 No
Distribution staff	**194**	158
Administrative staff	**60**	58
	254	216

6. Directors' remuneration

	2012 £000	2011 £000
Emoluments	**1,078**	1,529
Company pension contributions to defined contribution pension schemes	**70**	99

During the year retirement benefits were accruing to 6 directors (2011 - 5) in respect of defined contribution pension schemes
The highest paid director received remuneration of £393,000 (2011 - £397,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £25,000 (2011 - £23,000)

Notes to the Financial Statements
For the year ended 31 March 2012

7. Interest receivable

	2012 £000	2011 £000
Interest receivable from group companies	**7**	-
Other interest receivable	**5**	34
	12	34

8. Interest payable

	2012 £000	2011 £000
On bank loans and overdrafts	**417**	355

9. Taxation

	2012 £000	2011 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**1,003**	1,003
Adjustments in respect of prior periods	**-**	(85)
	1,003	918
Share of joint ventures' current tax	**2**	1
Total current tax	**1,005**	919
Deferred tax (see note 18)		
Origination and reversal of timing differences	**(60)**	(20)
Tax on profit on ordinary activities	**945**	899

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	**3,539**	2,839
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	**920**	795
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**11**	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**67**	189
Capital allowances for year in excess of depreciation	**6**	20
Utilisation of tax losses	**42**	-
Adjustments to tax charge in respect of prior periods	**-**	(85)
Other timing differences leading to an increase (decrease) in taxation	**22**	-
Group relief	**(63)**	-
Current tax charge for the year (see note above)	**1,005**	919

10. Earnings per share

The basic earnings per ordinary share is calculated by dividing profit for the year by the weighted average number of equity shares outstanding during the year

The diluted earnings per ordinary share is calculated by dividing profit for the year by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares)

Both basic and diltued earnings per share for 2012 is 135 7 pence (2011 100 9 pence) The calculation of basic and diluted earnings per ordinary share is based upon the following data

	2012 £000	2011 £000
Earnings for the purposes of basic and diluted earnings per share	**2,728**	2,029

Notes to the Financial Statements
For the year ended 31 March 2012

	2012 No.	2011 No
Weighted average number of shares for the purposes of basic and diluted earnings per share	**2,009,938**	2,009,938

11. Intangible fixed assets

Group	Brands £000	Goodwill £000	Total £000
Cost			
At 1 April 2011 and 31 March 2012	**2,103**	**872**	**2,975**
Amortisation			
At 1 April 2011	**601**	**172**	**773**
Charge for the year	**106**	**43**	**149**
At 31 March 2012	**707**	**215**	**922**
Net book value			
At 31 March 2012	**1,396**	**657**	**2,053**
At 31 March 2011	1,502	700	2,202

Notes to the Financial Statements

For the year ended 31 March 2012

12. Tangible fixed assets

Group	Freehold property £000	Property improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation				
At 1 April 2011	2,430	1,445	2,138	6,013
Additions	-	128	678	806
Disposals	-	-	(11)	(11)
At 31 March 2012	2,430	1,573	2,805	6,808
Depreciation				
At 1 April 2011	-	1,185	1,415	2,600
Charge for the year	-	190	412	602
At 31 March 2012	-	1,375	1,827	3,202
Net book value				
At 31 March 2012	2,430	198	978	3,606
At 31 March 2011	2,430	260	723	3,413

Included in land and buildings is freehold land and buildings (including property improvements) at valuation of £2,900,000 (2011 - £2,900,000), (cost £700,000 (2011 - £700,000)) which is not depreciated

Cost or valuation at 31 March 2012 is as follows

Group	Land and buildings £000
At cost	700
At valuation	
Existing use, market value at 31 March 2010	1,730
	2,430

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

Group	2012 £000	2011 £000
Cost	700	700
Accumulated depreciation	-	-
Net book value	700	700

Notes to the Financial Statements
For the year ended 31 March 2012

Company	Freehold property £000	Property improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation				
At 1 April 2011	2,430	1,445	2,128	6,003
Additions	-	128	640	768
Disposals	-	-	(11)	(11)
At 31 March 2012	2,430	1,573	2,757	6,760
Depreciation				
At 1 April 2011	-	1,185	1,405	2,590
Charge for the year	-	190	399	589
At 31 March 2012	-	1,375	1,804	3,179
Net book value				
At 31 March 2012	2,430	198	953	3,581
At 31 March 2011	2,430	260	723	3,413

Included in land and buildings is freehold land and buildings (including property improvements) at valuation of £2,900,000 (2011- £2,900,000), (cost £700,000 (2011 - £700,000) which is not depreciated
Cost or valuation at 31 March 2012 is as follows

Company	Land and buildings £000
At cost	700
At valuation:	
Existing use, market value at 31 March 2010	1,730
	2,430

The land and buildings were revalued on 31 March 2010 by Vail Williams, an external firm of property consultants, on an open market existing use basis

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

Company	2012 £000	2011 £000
Cost	700	700
Accumulated depreciation	-	-
Net book value	700	700

Notes to the Financial Statements
For the year ended 31 March 2012

13. Fixed asset investments

Group	Investment in joint ventures £000
Cost or valuation	
At 1 April 2011	53
Share of profit	8
At 31 March 2012	61
Net book value	
At 31 March 2012	61
At 31 March 2011	53

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Mixbury Trading Company Limited	Ordinary	100%
The Yorkshire FIne Wine Company Limited	Ordinary	100%
H Youdell and Company Limited	Ordinary	100%
European Wine Partnership LLP	Ordinary	70%
The Argento Wine Company Limited*	Ordinary	66%
The Argento Wine Company Argentina SA**	Ordinary	66%

Participating interests

The Group's investments in joint ventures represents a 50% share in SAAM Wine Company Limited

Name	Country of incorporation	Class of shares	Holding	Principal activity
SAAM Wine Company Limited	England	Ordinary	50%	Importation and distribution of wine

Name	Aggregate of share capital and reserves £000	Profit £000
SAAM Wine Company Limited	123	15

* 33% is held by Mixbury Trading Limited
** Held by Argento Wine Company Limited

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

Notes to the Financial Statements
For the year ended 31 March 2012

13. Fixed asset investments (continued)

On 2 May 2012, Bibendum Wine Limited acquired the remaining 34% of the share capital of The Argento Wine Company Limited ("AWC") that the Group did not already own These shares were purchased for their nominal value ($18) in cash at completion and so have no material impact on the net book value of AWC Acquiring the remaining shares gives us full control of the future strategy of AWC and will enable us to implement the changes required to return the business to profitability and growth

Company	Investment in joint ventures £000
Cost or valuation	
At 1 April 2011 and 31 March 2012	**4,165**
Net book value	
At 31 March 2012	**4,165**
At 31 March 2011	4,165

14. Stocks

	Group		Company	
	2012 £000	2011 £000	**2012 £000**	2011 £000
Finished goods and goods for resale	**16,122**	14,495	**16,059**	14,218

15. Debtors

	Group		Company	
	2012 £000	2011 £000	**2012 £000**	2011 £000
Trade debtors	**32,008**	34,569	**30,206**	31,985
Amounts owed by group undertakings	**4,093**	3,607	**4,093**	4,143
Other debtors	**1,190**	1,456	**175**	370
Prepayments and accrued income	**6,597**	6,354	**6,471**	6,275
Deferred tax asset (see note 18)	**135**	75	**84**	73
	44,023	46,061	**41,029**	42,846

Included within other debtors is a balance of £153,000 (2011 £153,000) due from the Employee Benefit Trust in more than one year

Notes to the Financial Statements

For the year ended 31 March 2012

16. Creditors:
Amounts falling due within one year

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Bank loans and overdrafts	**14,893**	13,015	**14,658**	13,015
Trade creditors	**20,639**	25,055	**20,061**	23,607
Amounts owed to group undertakings	**9**	9	**457**	1,264
Corporation tax	**462**	720	**462**	807
Social security and other taxes	**3,062**	3,924	**3,062**	3,924
Other creditors	**393**	3	**393**	3
Accruals and deferred income	**12,566**	12,729	**12,058**	11,963
	52,024	55,455	**51,151**	54,583

The bank loan and overdraft are 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 a rate related to The Royal Bank of Scotland base rate

17. Creditors:
Amounts falling due after more than one year

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Bank loans	**-**	46	**-**	46

The remainder of the bank loan brought foward at 1 April 2010 is repayable over 2 years and attracts an interest rate related to The Royal Bank of Scotland base rate

18. Deferred tax asset

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
At beginning of year	**75**	55	**73**	53
Released during the year	**60**	20	**11**	20
At end of year	**135**	75	**84**	73

Notes to the Financial Statements

For the year ended 31 March 2012

18. Deferred tax asset (continued)

The deferred tax asset is made up as follows

	Group		Company	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Accelerated capital allowances	**75**	75	**72**	73
Tax losses brought forward	**39**	-	**-**	-
Other timing differences	**21**	-	**12**	-
	135	75	**84**	73

19. Share capital

	2012	2011
	£000	£000
Allotted, called up and fully paid		
2,009,938 Ordinary shares of £1 each	**2,010**	2,010

20. Reserves

Group	**Share premium account £000**	**Revaluation reserve £000**	**Other reserves £000**	**Profit and loss account £000**
At 1 April 2011	**1,192**	**1,730**	**72**	**8,146**
Profit for the year	**-**	**-**	**-**	**2,728**
Dividends Equity capital	**-**	**-**	**-**	**(510)**
At 31 March 2012	**1,192**	**1,730**	**72**	**10,364**

Company	**Share premium account £000**	**Revaluation reserve £000**	**Other reserves £000**	**Profit and loss account £000**
At 1 April 2011	**1,192**	**830**	**72**	**8,383**
Profit for the year	**-**	**-**	**-**	**3,028**
Dividends Equity capital	**-**	**-**	**-**	**(510)**
At 31 March 2012	**1,192**	**830**	**72**	**10,901**

The company's holding company operates an employee share option scheme under which a number of the company's employees have been issued with share options The fair value determined at the grant date is expensed to the company's profit and loss account on a straight line basis over the vesting period The charge for the current year was £nil (2011 £14,000)

Notes to the Financial Statements
For the year ended 31 March 2012

21. Reconciliation of movement in shareholders' funds

Group	2012 £000	2011 £000
Opening shareholders' funds	**13,150**	11,107
Profit for the year	**2,728**	2,029
Dividends (Note 22)	**(510)**	-
Share option chearge for the year	**-**	14
Closing shareholders' funds	**15,368**	13,150

Company	2012 £000	2011 £000
Opening shareholders' funds	**12,487**	10,228
Profit for the year	**3,028**	2,245
Dividends (Note 22)	**(510)**	-
Share option charge for the year	**-**	14
Closing shareholders' funds	**15,005**	12,487

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the year dealt with in the accounts of the company was £3,028,000 (2011 - £2,245,000)

22. Dividends

	2012 £000	2011 £000
Dividends paid on equity capital	**510**	-

23. Minority interests

Equity	£000
At 1 April 2011	**(534)**
Proportion of profit after taxation for the year	**134**
At 31 March 2012	**(400)**

Notes to the Financial Statements
For the year ended 31 March 2012

24. Net cash flow from operating activities

	2012 £000	2011 £000
Operating profit	3,935	3,156
Amortisation of intangible fixed assets	149	149
Depreciation of tangible fixed assets	602	621
Increase in stocks	(1,627)	(4,255)
Decrease/(increase) in debtors	2,583	(10,945)
Increase in amounts owed by group undertakings	(486)	-
(Decrease)/increase in creditors	(5,050)	13,136
Equity settled share based payments	-	14
Net cash inflow from operating activities	106	1,876

25. Analysis of cash flows for headings netted in cash flow statement

	2012 £000	2011 £000
Returns on investments and servicing of finance		
Interest received	12	34
Interest paid	(417)	(355)
Net cash outflow from returns on investments and servicing of finance	(405)	(321)

	2012 £000	2011 £000
Taxation		
Corporation tax	(1,261)	(838)

	2012 £000	2011 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(806)	(552)
Sale of tangible fixed assets	11	10
Net cash outflow from capital expenditure	(795)	(542)

	2012 £000	2011 £000
Financing		
Repayment of loans	(173)	(167)

Notes to the Financial Statements
For the year ended 31 March 2012

26. Analysis of changes in net debt

	1 April 2011 £000	Cash flow £000	Other non-cash changes £000	31 March 2012 £000
Cash at bank and in hand	2,961	(1,034)	-	1,927
Bank overdraft	(12,838)	(2,004)	-	(14,842)
	(9,877)	(3,038)	-	(12,915)
Debt				
Debts due within one year	(177)	173	(46)	(50)
Debts falling due after more than one year	(46)	-	46	-
Net debt	(10,100)	(2,865)	-	(12,965)

27. Pension commitments

The group operates a defined contributions pension scheme The assets of the scheme are held separately from those of the group in an independently administered fund The pension cost charge represents contributions payable by the group to the fund and amounted to £320,000 (2011 - £277,000)

28. Operating lease commitments

At 31 March 2012 the Group and Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	**2012**	2011
Group and Company	**£000**	£000	**£000**	£000
Expiry date:				
Within 1 year	24	-	-	60
Between 2 and 5 years	-	48	157	48
After more than 5 years	127	-	-	-
Total	151	48	157	108

29. Other financial commitments

At 31 March 2011, the company had entered into forward foreign exchange purchase contracts with a value amounting to £19,936,330 (2011 £16,202,429)

Notes to the Financial Statements
For the year ended 31 March 2012

30. Related party transactions

An amount of £153,000 (2011 £153,000) in respect of shares sold by the Bibendum Wine Employee Share Option Plan is due from the Employee Benefit Trust Of this amount, £56,000 (2011 £71,750) is due from a director to the Employee Benefit Trust

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

During the year, the company purchased wine totalling £2,367,140 (2011 £4,083,468) and provided services totalling £1,524,627 (2011 £1,335,730) from/to The Argento Wine Company Limited, a 66% subsidiary of the company Goods are bought and sold on the basis of the price list in force with non related parties At 31 March 2011, the outstanding balance due to The Argento Wine Company Limited was £446,870 (2011 £718,209) No amounts were written off in the year

During the year, the company purchased wine totalling £363,400 (2011 £511,713) from SAAM Wine Company Limited, a joint venture vehicle of which the company holds a 50% interest Goods are bought and sold on the basis of the price list in force with non related parties During the year, the Company sold marketing and other services to SAAM Wine Company Limited to the value of £nil (2011 £39,143) At 31 March 2011, the outstanding balance due to SAAM Wine Company Limited was £62,176 (2011 £23,010) No amounts were written off in the year

The company is a wholly owned subsidiary of Bibendum Wine Holdings Limited, the consolidated accounts of which are publicly available Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with wholly owned members of the Bibendum group

31. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company is Bibendum Wine Holdings Limited, a company registered in England and Wales