

**BIBENDUM WINE HOLDINGS LIMITED**

**REPORT AND ACCOUNTS**

**For the period ended**

**31 MARCH 2008**



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## **BIBENDUM WINE HOLDINGS LIMITED**

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# **BIBENDUM WINE HOLDINGS LIMITED**

## **COMPANY INFORMATION**

**REGISTERED NUMBER**

6155211

**DIRECTORS**

P I Espenhahn (Non-executive Chairman)  
M P Saunders (Managing Director)

S C Farr  
R Gabb  
H M C Morley  
A M Vinton  
A G Wahab  
J J Young

**SECRETARY**

J J Young

**REGISTERED OFFICE**

113 Regents Park Road  
London NW1 8UR

**BANKERS**

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

**AUDITORS**

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

## **BIBENDUM WINE HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the Group, together with the accounts and auditors' report for the period ended 31 March 2008

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

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

The principal activity of Bibendum Wine Holdings Limited is that of a holding company of Bibendum Wine Limited and The Argento Wine Company Limited

The company was incorporated on 13 March 2007 as Finlaw 558 Limited and subsequently changed its name. It acquired the entire share capital of Bibendum Wine Limited on 4 June 2007

The Group borrowed money from The Royal Bank of Scotland and RBS Invoice Finance Limited to finance the business of Bibendum Wine Limited, including its purchase of a further 33⅓% stake in The Argento Wine Company Limited, and to finance the acquisition for cash of £5,390,000 by the company of shares in Bibendum Wine Limited. These consolidated accounts represent the Group activities for the ten months from June 2007 to 31 March 2008

Group turnover for the period amounted to £108,120,000. The operating profit for the period was £3,130,000 whilst the profit after taxation was £1,239,000, after an amortisation charge of £495,000 relating to goodwill on acquisition of Bibendum Wine Limited

#### **Financial risk management**

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

The Group's major transactional exposures are to Australian dollar and Euro outflows 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 usually hedges its foreign exchange exposure, mainly in respect of the 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 current contracts in place are disclosed in note 24

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 7 year bank loan also attracting interest at a similar rate. The Group's interest rate exposure is therefore related to the bank's base rate. The Group 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

## **BIBENDUM WINE HOLDINGS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### ***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 limit, which is reassessed on a periodic basis.

#### **Directors**

The directors who served during the period are shown below

P I Espenhahn	Appointed 25 May 2007	
M P Saunders	Appointed 25 May 2007	
S C Farr	Appointed 25 May 2007	
R Gabb	Appointed 25 May 2007	
H M C Morley	Appointed 26 March 2007	
A M Vinton	Appointed 25 May 2007	
G A Wahab	Appointed 25 May 2007	
J J Young	Appointed 26 March 2007	
Flex Nominees Limited	Appointed 13 March 2007	Resigned 26 March 2007

#### **Charitable donations**

During the period the Group made charitable donations of £1,858

#### **Disclosure of information to the auditors**

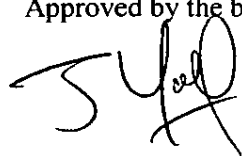
The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the Group's auditors each of these directors confirms that

- so far as that director was aware there was no relevant available information of which the Group's auditors were unaware, and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditors were aware of that information

#### **Auditors**

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 385 of Companies Act 1985

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



J J Young  
SECRETARY  
15 August 2008

## **BIBENDUM WINE HOLDINGS 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 standards 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 Holdings Limited

We have audited Group and parent company accounts ('the accounts') of Bibendum Wine Holdings Limited for the period ended 31 March 2008 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 32. 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

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

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 report to you 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.

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 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 parent company's affairs as at 31 March 2008 and of the Group's profit for the period then ended,
- 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

15. 8. 2008

**BIBENDUM WINE HOLDINGS LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period ended 31 MARCH 2008**

	Notes	2008 £'000
Turnover	2	108,120
Cost of sales		(91,606)
<b>Gross profit</b>		<b>16,514</b>
Selling and distribution costs		(8,226)
Administrative expenses		(5,158)
<b>Operating profit</b>	3,4	<b>3,130</b>
Interest receivable and similar income	5	14
Interest payable and similar charges	6	(814)
<b>Profit on ordinary activities before taxation</b>		<b>2,330</b>
Tax on profit on ordinary activities	8	(937)
<b>Profit on ordinary activities after taxation</b>		<b>1,393</b>
Minority interest		(154)
<b>Profit for the period</b>		<b>1,239</b>
Earnings per share	29	88 6p
Fully-diluted earnings per share	29	78 1p

All of the Group's operations are classed as continuing



**BIBENDUM WINE HOLDINGS LIMITED****CONSOLIDATED BALANCE SHEET as at 31 MARCH 2008**

	Notes	2008 £'000
<b>Fixed assets</b>		
Intangible assets - goodwill	10	11,397
Intangible assets - brands	11	1,778
Tangible assets	12	3,481
		<hr/>
		16,656
		<hr/>
<b>Current assets</b>		
Stock	14	10,601
Debtors	15	35,223
Cash at Bank		573
		<hr/>
		46,397
<b>Creditors: amounts falling due within one year</b>	16	(43,767)
		<hr/>
<b>Net current assets</b>		2,630
		<hr/>
<b>Total assets less current liabilities</b>		19,286
<b>Creditors: falling due after more than one year</b>	17	(557)
		<hr/>
<b>Net assets</b>		18,729
		<hr/>
<b>Capital and reserves</b>		
Called up share capital	18	1,688
Share premium account	19	16,121
Share based payment	20	14
Profit and loss account	21	565
<b>Shareholders' funds</b>	22	<hr/> 18,388
Minority interest	23	<hr/> 341
		<hr/>
		18,729
		<hr/>

The accounts were approved by the Board of Directors on 15 August 2008 and were signed on behalf of the Board of Directors

  
J J Young  
Director

**BIBENDUM WINE HOLDINGS LIMITED****COMPANY BALANCE SHEET as at 31 MARCH 2008**

	Note	2008 £'000
<b>Fixed assets</b>		
Investment	13	21,470
<b>Current assets</b>		
Cash at Bank		7
<b>Creditors: amounts falling due within one year</b>	16	(3,580)
<b>Net assets</b>		<hr/> 17,897 <hr/>
<b>Capital and reserves</b>		
Called up share capital	18	1,688
Share premium account	19	16,121
Share based payment	20	14
Profit and loss account	21	74
<b>Shareholders' funds</b>	22	<hr/> 17,897 <hr/>

The accounts were approved by the Board of Directors on 15 August 2008 and were signed on behalf of the Board of Directors



J J Young  
Director

**BIBENDUM WINE HOLDINGS LIMITED****CONSOLIDATED CASH FLOW STATEMENT for the period ended 31 MARCH 2008**

	<b>Notes</b>	<b>2008 £'000</b>
<b>Net cash inflow from operating activities</b>	25	2,888
<hr/>		
<b>Returns on investments and servicing of finance</b>		
Interest received		14
Interest paid		(814)
Minority dividend paid		(133)
<hr/>		
<b>Net cash (outflow) for returns on investments and servicing of finance</b>		(933)
<hr/>		
<b>Taxation</b>		
Net tax paid		(670)
<hr/>		
<b>Capital Expenditure</b>		
Payments to acquire tangible fixed assets		(354)
<hr/>		
<b>Acquisitions</b>		
Overdrafts acquired on acquisition of investments		(4,264)
Payments to acquire investments		(5,390)
<hr/>		
<b>Net cash (outflow) from acquisitions</b>		(9,654)
<hr/>		
<b>Equity dividend paid</b>		(674)
<hr/>		
<b>Cash (outflows) before financing</b>		(9,397)
<hr/>		
<b>Financing</b>		
Repayment of bank loan		(35)
Proceeds of new share capital issued		1,741
<hr/>		
<b>Net cash inflow from financing activities</b>		1,706
<hr/>		
<b>Decrease in cash</b>	27	(7,691)
<hr/>		

## **BIBENDUM WINE HOLDINGS LIMITED**

### **NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008**

#### **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 2008

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

##### **Intangible fixed assets**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its economic useful life, which is 20 years. Provision is made for any impairment in value

##### **Tangible fixed assets**

Land and buildings are shown at valuation as set out in note 12. 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. 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

## **BIBENDUM WINE HOLDINGS LIMITED**

### **NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)**

#### **1 Accounting policies (continued)**

##### **Stocks**

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

##### **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.

## BIBENDUM WINE HOLDINGS LIMITED

### NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)

#### 1 Accounting policies (continued)

##### Pension costs

The Group 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.

##### Leases

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

##### Share based payments

Share options granted are measured at their fair value at the date of grant using a Black Scholes model. The fair value determined at the grant date is expensed on a straight line basis over the vesting period, based upon the Group's estimate of participants eligible to receive shares at the point of vesting.

#### 2 Turnover

	<b>Period ended 31 March 2008 £'000</b>
United Kingdom	102,525
Rest of the World	5,595
	<hr/>
	108,120
	<hr/>

#### 3 Auditors' remuneration

	<b>Period ended 31 March 2008 £'000</b>
Auditors' remuneration for audit of the group and company	5
Other services	
Auditing the accounts of subsidiaries	48
Other services relating to taxation	23
	<hr/>

#### 4 Operating profit

	<b>Period ended 31 March 2008 £'000</b>
Operating profit is stated after charging	
Depreciation	374
Amortisation	582
Operating leases – other assets	267
	<hr/>

# BIBENDUM WINE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)

<b>5</b>	<b>Interest receivable and similar income</b>	<b>Period ended 31 March 2008 £'000</b>
	Bank interest receivable	14
		<hr/>

<b>6</b>	<b>Interest payable and similar charges</b>	<b>Period ended 31 March 2008 £'000</b>
	Interest on bank loans and overdraft	814
		<hr/>

<b>7</b>	<b>Information regarding directors and employees</b>	<b>Period ended 31 March 2008 £'000</b>
	Employee costs during the period amounted to	
	Wages and salaries	6,001
	Social security costs	661
	Pension costs	178
		<hr/>
		6,840
		<hr/>

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

	<b>No.</b>
Selling and distribution	138
Administration	44
	<hr/>
	182
	<hr/>

### **Directors' remuneration**

Directors' remuneration was paid as follows

	<b>£'000</b>
Aggregate emoluments (excluding pension contributions)	638
Company pension contributions to money purchase schemes	51
	<hr/>

**BIBENDUM WINE HOLDINGS LIMITED****NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)**

**7 Information regarding directors and employees (continued)** **Period ended  
31 March  
2008  
£'000**

The remuneration of the highest paid director was as follows

Aggregate emoluments (excluding pension contributions)	173
Company pension contributions to money purchase schemes	15

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The highest paid director did not receive any share options in the period. No directors exercised share options in the period.

**8 Tax on profit on ordinary activities** **Period ended  
31 March  
2008  
£'000**

(a) Analysis of charge in the period

*Current tax*  
UK corporation tax on profits for the period 965

*Deferred tax*  
Origination and reversal of timing differences (28)

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Tax on profit on ordinary activities 937

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*Factors affecting the tax charge for the period*

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% 699

Depreciation in excess of capital allowances 2

Expenses not deductible for tax purposes 103

Other short-term timing differences 161

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Total current tax 965

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At 31 March 2008 a deferred tax asset of £68,000 has been recognised in respect of depreciation in excess of capital allowances. The directors believe the benefits of this asset will crystallise in the future.



**BIBENDUM WINE HOLDINGS LIMITED****NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)**

<b>9</b>	<b>Dividend</b>	<b>Period ended 31 March 2008 £'000</b>
	Dividend paid 40p per share	674
		<hr/>
<b>10</b>	<b>Intangible fixed assets - Goodwill</b>	
		<b>2008 £'000</b>
	<b>Cost</b>	
	Additions	11,892
		<hr/>
	At 31 March 2008	11,892
		<hr/>
	<b>Amortisation</b>	
	Charge for the period	495
		<hr/>
	At 31 March 2008	495
		<hr/>
	<b>Net book value</b>	
	31 March 2008	11,397
		<hr/>
<b>11</b>	<b>Intangible fixed assets – brands</b>	
		<b>£'000</b>
	<b>Cost</b>	
	On acquisition and at 31 March 2008	1,882
		<hr/>
	<b>Amortisation</b>	
	On acquisition	17
	Charge for the period	87
		<hr/>
	At 31 March 2008	104
		<hr/>
	<b>Net book value</b>	
	31 March 2008	1,778
		<hr/>

**BIBENDUM WINE HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)**

**12 Tangible fixed assets**

<b>Group</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>Motor Vehicles £'000</b>	<b>Computer equipment £'000</b>
<b>Cost or valuation</b>						
On acquisition	5,344	2,230	1,453	286	10	1,365
Additions	354	-	10	103	-	241
At 31 March 2008	5,698	2,230	1,463	389	10	1,606
<b>Depreciation</b>						
On acquisition	1,843	-	439	273	-	1,131
Charge for the period	374	-	242	25	3	104
At 31 March 2008	2,217	-	681	298	3	1,235
<b>Net book value</b>						
At 31 March 2008	3,481	2,230	782	91	7	371

The cost of the freehold land and buildings to the group as at 31 March 2008 was £700,000

# BIBENDUM WINE HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)

### 13 Fixed asset investments

a) Shares held in subsidiaries	Company 2008 £'000
Cost	
Additions	21,470
	<hr/>
31 March 2008	21,470
	<hr/>

The company's subsidiaries are as follows

	Country of incorporation	Holding	Nature of business
Bibendum Wine Limited	England	100%	Wine Distributor
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
The Argento Wine Company Limited*	England	66⅓%	Wine Distributor

\* 33⅓% is held by Mixbury Trading Company Limited and 33⅓% is held by Bibendum Wine Limited

\*\*100% is held by Bibendum Wine Limited

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

### b) Analysis of acquisition

On 4 June 2008 Bibendum Wine Holdings Limited completed the acquisition of a 100% interest in Bibendum Wine Limited for consideration of £21.5 millions as follows

	Book value and fair value to the Group	
	£'000	£'000
Non-current assets	6,127	
Current assets	35,217	
Current liabilities	(31,446)	
Minority interest	(320)	
	<hr/>	
Net assets for calculation of goodwill		9,578
Goodwill on acquisition		<hr/> 11,892
Consideration		
Shares issued	16,080	
Cash paid	5,390	
	<hr/>	21,470

**BIBENDUM WINE HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)**

14	<b>Stock</b>		<b>Group 2008 £'000</b>
	Goods held for resale		10,601
15	<b>Debtors</b>	<b>Group</b>	<b>Company</b>
		<b>2008</b>	<b>2008</b>
		<b>£'000</b>	<b>£'000</b>
	Trade debtors	32,301	-
	Other debtors	269	-
	Deferred tax	68	-
	Amounts due from the Employee Benefit Trust (due in over one year)	153	-
	Prepayments and accrued income	2,432	-
		35,223	-
16	<b>Creditors: amounts falling due within one year</b>	<b>Group</b>	<b>Company</b>
		<b>2008</b>	<b>2008</b>
		<b>£'000</b>	<b>£'000</b>
	Current portion of bank loan (note 17)	143	-
	Bank overdraft	12,528	-
	Trade creditors	25,093	-
	Corporation tax	448	-
	Amounts owed to subsidiary undertakings	-	3,580
	Other creditors including taxation and social security	1,547	-
	Accruals and deferred income	4,008	-
		43,767	3,580

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 a rate related to the Royal Bank of Scotland base rate.

**BIBENDUM WINE HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)**

<b>17</b>	<b>Creditors</b> amounts falling due after more than one year	<b>Group 2008 £'000</b>
	Bank loans	557
	The bank loans are repayable as follows due in less than one year (note 16)	143
	due between one and two years	143
	due between two and five years	315
	due in more than five years	99
		557

A bank loan outstanding at the balance sheet date is secured by way of a fixed and floating charge over the group's land and buildings and associated other assets. The loan brought forward at 1 April 2007 is repayable over 6 years and incurs an interest rate related to the Royal Bank of Scotland base rate.

<b>18</b>	<b>Called up share capital</b>	<b>2008 £'000</b>
	<b>Authorised</b>	
	2,450,000 ordinary shares of £1 each	2,450
	<b>Allotted, called up and fully paid</b>	<b>£'000</b>
	1,688,014 ordinary shares of £1 each	1,688

During the period the company allotted 1,688,014 shares at a premium of £9.55 per share, of which 1,522,833 were allotted in a share for share exchange in Bibendum Wine Limited.

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

Date first exercisable	Date on which the exercise period ends	Exercise Price per ordinary share	Number of ordinary shares
28 May 2003	28 May 2013	£3.29	80,000
1 September 2004	1 September 2014	£3.50	21,250
14 July 2009	14 July 2016	£5.50	40,000
13 December 2009	13 December 2016	£7.00	85,000

**BIBENDUM WINE HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)**

<b>19 Share premium account</b>	<b>Group 2008 £'000</b>	<b>Company 2008 £'000</b>
At 13 March 2007	-	-
Movement during the period	16,121	16,121
At 31 March 2008	16,121	16,121
<b>20 Share based payments</b>	<b>Group 2008 £'000</b>	<b>Company 2008 £'000</b>
At 13 March 2007	-	-
Movement during the period	14	14
At 31 March 2008	14	14
<b>21 Profit and loss account</b>	<b>Group £'000</b>	<b>Company £'000</b>
At 13 March 2007	-	-
Profit for the period	1,239	748
Dividend paid	(674)	(674)
At 31 March 2008	565	74
<b>22 Reconciliation of movements in shareholders' funds</b>	<b>Group 2008 £'000</b>	<b>Company 2008 £'000</b>
Profit for the period	1,239	748
Dividend	(674)	(674)
Share based payments movement in the period	14	14
Share premium movement in the period	16,121	16,121
Share capital issued	1,688	1,688
Net addition to shareholders' funds	18,388	17,897
Opening shareholders' funds	-	-
Closing shareholders' funds	18,388	17,897

**BIBENDUM WINE HOLDINGS LIMITED****NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)**

<b>23</b>	<b>Minority Interest</b>	<b>Group 2008 £'000</b>
	On acquisition	320
	Share of profit for the period	154
	Dividend paid	(133)
		<hr/>
	At 31 March 2008	341
		<hr/>
<b>24</b>	<b>Guarantees and other financial commitments</b>	
	At 31 March 2008, the company had entered into forward foreign exchange purchase contracts with a value amounting to £4,065,000	
<b>25</b>	<b>Reconciliation of operating profit to net cash inflow/(outflow) from operating activities</b>	<b>2008 £'000</b>
	Operating profit	3,130
	Depreciation charge	374
	Amortisation charge	582
	Share based movement in the period	14
	Increase in stock	(2,992)
	Increase in debtors	(6,216)
	Increase in creditors	7,996
		<hr/>
	Net cash inflow from operating activities	2,888
		<hr/>
<b>26</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2008 £'000</b>
	Decrease in cash in the period	(7,691)
	Cash inflow from loans	35
		<hr/>
	Change in net debt	(7,656)
	Net debt on acquisition	(4,999)
		<hr/>
	Net debt at 31 March	(12,655)
		<hr/>

**BIBENDUM WINE HOLDINGS LIMITED****NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)****27 Analysis of changes in net debt during the period**

	<b>On acquisition £'000</b>	<b>Cash flows £'000</b>	<b>Other changes £'000</b>	<b>At 31 March 2008 £'000</b>
Cash	3,255	(2,682)	-	573
Bank overdraft	(7,519)	(5,009)	-	(12,528)
	<u>(4,264)</u>	<u>(7,691)</u>	<u>-</u>	<u>(11,955)</u>
Debt due within one year	(735)		592	(143)
Debt due after one year	-	35	(592)	(557)
	<u>(735)</u>	<u>35</u>	<u>-</u>	<u>(700)</u>
	<u>(4,999)</u>	<u>(7,656)</u>	<u>-</u>	<u>(12,655)</u>

**28 Operating leases**

The Group holds motor vehicles and office equipment on non-cancellable operating leases  
The annual net commitments under these leases are as follows

	<b>2008 £'000</b>
Leases expiring	
Within one year	216
Between two and five years	72
	<u>288</u>

**29 Earnings per share**

The basic earnings per share is based upon earnings of £1,239,000 and the weighted average number of shares ranking for dividend during the period of 1,398,482

The fully –diluted weighted average number of shares of 1,587,024 has been calculated by taking the weighted average number of shares ranking for dividend and adjusted for potential equity shares

**30 Share based payments – Equity based share option scheme**

The Group has a share option scheme for certain employees Options are exercisable at a price which is not less than the market price of the Company's shares at the date of grant



## BIBENDUM WINE HOLDINGS LIMITED

### NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2008 (continued)

#### 30 Share based payments – Equity based share option scheme (continued)

Details of the share options outstanding during the period which fall under the provisions of FRS 20 are as follows

	Number of share options	Weighted average exercise price
Transferred from Bibendum Wine Limited	125,000	£6 52
Granted during the period	-	
Lapsed/Exercised during the period	-	
At 31 March	125,000	

The exercise price of the share options outstanding at 31 March 2008 ranged from £5 50 to £7 00, with a weighted average contractual life of 114 months. The aggregate estimated fair value of the options at 31 March 2008 was £142,000.

The inputs into the Black-Scholes model used to value options granted are as follows

	2008
Weighted average share price	£5 50
Weighted average exercise price	£6 52
Expected volatility	39%
Expected life	10 years
Risk free rate	4 53%
Expected dividend yield	6%

#### 31 Related party transactions

An amount of £153,000 in respect of shares sold by the Bibendum Wine Employee Share Option Plan is due from a director to the Employee Benefit Trust.

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

During the period Bibendum Wine Limited purchased wine totalling £3,364,182 and provided services totalling £483,604 from/-to The Argento Wine Company Limited, a 66⅓% subsidiary of the Group. Goods are bought and sold on the basis of the price list in force with non-related parties.

At 31 March 2008 the outstanding balances payable to The Argento Wine Company Limited by Bibendum Wine Limited were £1,284,760. No amounts were written off in the period.

#### 32 Ultimate controlling party

There is no ultimate controlling party.