

Annual Report and Financial Statements Bibendum Off Trade Limited

For the year from 1 March 2020 to 28 February 2021

Registered number: 01655729



Bibendum Off Trade Limited

Company Information

Directors	James Kowszun Ewan Robertson Michael Saunders
Company Secretary	C&C Management Services Limited
Registered number	01655729
Registered office	109a Regents Park Road London England NW1 8UR
Auditors	Ernst & Young City Quarter, Lapps Quay Cork, Ireland T12 KC5P
Bank	Natwest Group PLC 36 St Andrews Square Edinburgh EH2 2YB

Bibendum Off Trade Limited

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Bibendum Off Trade Limited

Strategic report

For the year ended 28 February 2021

The Directors, in preparing this Strategic report, have complied with s414(c) of the Companies Act 2006.

i. Principal activities

The principal activity of the Company during the period has been that of a wholesale and agency drinks distributor, specifically wine. Operating from a UK base the Company sources wine from suppliers around the world for sale, primarily into the UK & Ireland Off Trade Sector.

ii. Business review

The Company delivered a revenue of £89.8m for the year ended 28 February 2021, a 0.4% increase (£89.4m) when compared with the year ended 28 February 2020. Gross profit for the year ended 28 February 2021 has increased to £5.5m from £4.7m for the year ended 28 February 2020. Gross profit margin as a result increased from 5.3% to 6.1%. A decrease in zero margin intercompany sales caused as a result of the various government lockdowns reducing the UK packing requirements for the On Trade focused companies in the group is the main driver for this. Excluding intercompany sales the Company delivered a revenue of £85.0m for the year ended 28 February 2021, a 12.0% increase (£75.8m) when compared with the year ended 28 February 2020.

Total administrative expenses for the year ended 28 February 2021 were £2.8m (2020: £2.7m). Salaries remained the same at £1.8m. Coronavirus Job Retention Scheme income, claimed from the government for staff put on furlough during the year, of just under £25,000 was recorded against these administrative costs in the current year (2020: £0), the employees put on furlough had roles directly affected by the drop in intercompany UK packing.

Net assets as at 28 February 2021 were £12.99m to compared to net liabilities in 2020 of £10.9m as a result of the net profit (£2.48m) earned for the year ended 28 February 2021, a capital contribution of £12.4m and additional share capital of £9m were provided by C&C Group Holdings.

iii. Business KPIs

The KPIs that the Company has identified as key measures of success are listed in the below table. These are closely monitored by the leadership team and presented monthly to the Directors to ensure the Company is growing market share, remaining profitable and controlling its cost base efficiently.

	28 February 2021 £000	28 February 2020 £000
Turnover	89,760	89,370
Gross Profit	5,505	4,730
Gross Profit %	6.1%	5.3%
Administrative Costs	2,797	2,721

Bibendum Off Trade Limited

Strategic report (continued)

For the year ended 28 February 2021

iv. Principal risks and uncertainties

a. Legal and regulatory environment

The Company acknowledges that it operates in an environment that has both a developing and increasing regulatory agenda, in the areas of health and safety, quality control, environmental obligations and employee welfare. The Company seeks to ensure that it works in an appropriate manner with the relevant regulatory bodies, obtains recognised accreditations and encourages a proactive approach to changes in the legal environment. In addition, anti-bribery and money laundering policies are regularly reviewed and relevant employees provided the training required to implement them.

b. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations, cost control and applying cash collection targets throughout the Company.

c. Foreign exchange risk

The Company's major transactional exposures are to New Zealand, Australian and United States dollars, and Euro. The Company manages its foreign exchange risk, where possible, by matching revenues with costs in the same currencies, where applicable. In addition, the Company usually manages its foreign exchange transactions by entering into forward contracts to purchase set amounts of currency at a range of prices.

This policy will be monitored actively and may be revised should the values of non-sterling denominated transactions change substantially within the UK operations.

d. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main exposure to credit risk in the Company is represented by receivables owing to the Company. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of those assets, net of any provisions, as disclosed in the Balance Sheet and notes to the financial statements.

Rolling cash flow forecasting, securing mutually appropriate credit terms with the Company's supplier base and debtor-secured borrowing, as well as access to intra-group support if required, ensure that future cash flow obligations can be met by the Company.

The Company 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.

Bibendum Off Trade Limited

Strategic report (continued)

For the year ended 28 February 2021

e. Brexit risk

The decision by British voters to exit the European Union has come into force on the 1st January 2021, so far the Company has not noticed any adverse effects from this decision on our sales out to customers. Around the time of the change, ports were noticeably busier and import times stretched, however we had advised our customers to carry additional stock through this period to ensure a smoother transition, advise our larger customers heeded so disruption to our business was minimised where possible. So far tariffs, where applicable, and taxes remain consistent with before so again have had no noticeable affect on sales or consumer behaviour.

f. Economic uncertainty relating to the Covid-19 Pandemic

The lockdown of the UK and temporary closures of the On Trade business has resulted in an increase in trading in the Off Trade sector as consumers switch from going out to bars and restaurants (On Trade) to buying from Supermarkets and Convenience stores (Off Trade) to consume at home. This has resulted in an increase in sales during this time. Whilst the government has allowed the reopening of the On Trade in some capacity since July 2020, the extent of On Trade footfall, and hence demand, is still variable as restrictions change, but any delays in the On Trade returning to normal will in theory only increase sales to the Off Trade.

The UK government have provided a clear roadmap to exit the various stages of lockdown however until the On Trade has fully re-opened it is hard to gauge how the past year has changed long term consumer behaviour, our expectation is that the consumer will have got used to a higher quality of wine at a lower price point from the Off Trade and may not be willing to give that up, our decision to position ourselves as a trade-up and premium partner to the Off Trade may see lasting benefits here.

Supply to customers has been a challenge over the course of Covid-19 as various countries had different restrictions at various points, most noticeably South Africa banning movement of goods for a period. Through strong planning and regular customer engagement the Company was able to advise its customer base where it expected issues and in turn was able to extend lead times on products to mitigate these risks. Where out of stocks did occur as a result of supply issues, the Company was able to offer alternative solutions through its supplier base to mitigate risks. Feedback from customers has been that whilst service over this time was not without its challenges, the Company's planning and engagement with them continued to be better than most of its competitors which allowed the Company to better plan its combined response and drive solutions.

The Company regularly reviews its cost base but in relation to Covid-19 no changes to this have been made or recommended. The Company believes that the cost base and staffing levels are correct for a business of its size and whilst it has been a challenging period, it has the correct structure to continue to drive growth post Covid-19.

Bibendum Off Trade Limited

Strategic report (continued)

For the year ended 28 February 2021

v. Stakeholder Relationships (\$172 Statement)

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so had regard, amongst other matters to:

- The likely consequences of any decision in the long term;
- The interests of the Company employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the environment
- The desirability of the Company in maintaining a reputation for high standards of business conduct; and
- The need to act fairly as members of the Company

During FY20 the Company undertook a variety of activities to engage with stakeholders and bring their voice into the boardroom.

a. Suppliers

Our supplier base is at the heart of everything we do, without a strong and supportive supplier base Bibendum Off Trade would not be able to provide the range of wines or the excellent service that our customer base expects. To that end we have a dedicated buying team who ensures that we have a strong partnership with all of our key suppliers and there is a constant drive to grow the UK based business of our partners and in turn Bibendum Off Trade.

In the past, both the buying team and the CEO have taken numerous trips to meet our suppliers around the world to ensure clear lines of communications at all levels with the aim of creating a long term, sustainable route to market partnership across our supplier base. This has not been possible this year due to travel restrictions, but we look forward to renewing these relationships in person as soon as possible.

In the meantime, the teams have been active in their communications with suppliers using video conferencing to maintain face to face relationships.

b. Customers

A team of account managers serves our customers whose role is to ensure our customers' demands are met, these account managers provide the Directors with annual account reviews to ensure they are aware, in detail, of the customers' requirements. In addition to this the Director of sales attends monthly meetings with the Directors to update on the latest actions.

In addition to this our operations teams work closely with our customers with the goals of becoming "dangerously easy to do business with", in order to provide our customers with the best possible service. In the past we have introduced tools such as a reserve tracker to the business helps us partner with customers and work collaboratively to maximize sales. We continue to build on this and expect that a new winery demand planning tool will be available to help our suppliers & customers with their planning in FY22.

The CEO has regular contacts with our key customers to enhance these relationships and ensure we have clear communication of our customers' requirements at all levels.

Bibendum Off Trade Limited

Strategic report (continued)

For the year ended 28 February 2021

c. Colleagues

The Directors are very clear that the Bibendum Off Trade employees are the most important resource the Company has and it promotes 2-way conversation with the employees and the boardroom in a variety of ways:

- On a quarterly basis, the Directors will host a full company meeting to give updates on both performance and events happening within the organisation. Over the past year these have been a little less frequent and done online, again the plan is to resume in person company meetings as soon as it is safe to do so.
- Regular Employee newsletters received by email gives and overview of how the various departments in the business are trading and updates on any other items relevant to our business.
- Employee forum has historically been held quarterly and attended by both HR and a Director to give employees a direct (and anonymous if required) line of communication to the Directors. Over the past year this has been another activity that has fallen by the wayside with the pressures put on the business by Covid-19 restrictions, this is an important line of communication from staff to the leadership and one we are keen to renew as soon as feasible.
- Employee survey is also held once a year and reviewed with staff at all levels.

d. Environment

Bibendum Off Trade is proactive in tracking and reducing its environmental impact. The internal environmental impact group 'Vivid' was set up to review how we work and provide suggestions where we can do better, unfortunately this is another area that was put on hold as managing covid across the business became the priority.

e. Community

With its office headquarters based in Primrose Hill, London, and a sales team that covers our distribution across all of the UK we recognise our community impact across the country. Our Director, Michael Saunders, has recently sat as the Chair of the wine industry charity, The Drinks Trust, and remains an active member on the board of trustees.

f. High standards of business conduct

The Company always seeks to maintain the highest standards of business conduct with its suppliers and customers and recognises the importance of this in maintaining these key relationships. The Company benefits from having developed these strong relationships in maintaining its working capital requirements.

g. Parent Group

As part of C&C Group PLC, its ultimate parent, the Company is exposed to the Corporate Governance practices adopted by C&C Group PLC. Further details can be found in the Corporate Governance Report within C&C Group Plc.

Bibendum Off Trade Limited

Strategic report (continued)

For the year ended 28 February 2021

h. How stakeholder interests have influenced decision-making

Bibendum Off Trade recognises the importance of engaging with stakeholders to help inform its strategy and Board decision-making. Relevant stakeholders' interests, including those of colleagues, customers, and suppliers, are taken into account by the Board when it takes decisions. When making key decisions the Directors consider the outcome of relevant stakeholder engagement, as well as the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of Bibendum Off Trade and the long-term consequences of its decisions.

The year ending 28 February 2021 has been one unlike any other in the history of Bibendum and decisions have had to be made quickly but also a level of flexibility maintained as the landscape has been an inconsistent one.

At the beginning of the financial year, in March 2020, the wider group was faced with the serious impact presented by the lockdown across the UK due to the Covid-19 pandemic and the temporary closure of the hospitality sector. In order to preserve the financial security of the Company it was necessary to make key decisions on the use of government schemes and working capital alongside working with our customer and supplier base.

In making decisions around the furloughing of staff post year end in April 2020, the Company held discussions with its employees subject to furlough, explaining the rationale behind decisions made whilst listening to their views, and the Company continues to maintain discussions with employees on furlough to the extent permitted by law.

In restructuring payments with major suppliers, the Company has worked proactively to maintain dialogue and set-up feasible payment plans, in the interest of both the Suppliers and the Company, in order to maintain the working relationship whilst operating within capital constraints. Similarly, the Company has engaged to support its customer base whilst securing repayment plans for outstanding debt, to the advantage of both parties.

This report was approved by the Board on 28th September 2021 and signed on its behalf.



James Kowszun
Director

Date:

28/09/2021

Bibendum Off Trade Limited

Directors' Report

For the year ended 28 February 2021

The Directors present their report and the financial statements of the Company for the year ended 28 February 2021.

I. Results and dividends

The result for the year ended 28 February 2021 and financial position of the Company as at that date are as shown in the profit and loss account and balance sheet. The Directors do not recommend the payment of a dividend (2020: £Nil).

II. Going concern

The financial statements have been prepared on the going concern basis, which assumes the Company will be able to meet its liabilities as they fall due, for at least the next 12 months.

Banking facilities are now in place to cover working capital, capital investment and other corporate requirements. Under C&C ownership, the Directors have prepared cash flow forecasts and whilst the nature of the Company's business means that there can be unpredictable variations in the timing of cash flow, taking account of possible changes in the Company's performance, the Directors have concluded that the Company should be able to operate within the level of its current facilities. The strong cash position at year end of £15.2m (2020: £11.891m) shows a strong commitment to improving the financial position of the business.

In preparing those forecasts, the Directors have taken into account various risks and uncertainties. The principal areas of risk and uncertainties are the impact of the wider economic climate on the achievement of operating targets, in particular project revenue and gross margins. In addition to these risks and uncertainties, the Company's performance is also impacted by financial and credit risks. The Directors have a documented policy in relation to managing these risks.

The Company has made a profit during the year and has also moved to a position of net assets after being in a net liability position the year prior. Should further support be required, C&C Group Plc, the Company's ultimate parent undertaking, has indicated that it will provide or procure such funds as necessary to enable the Company to settle all liabilities as they fall due for at least the next twelve months from the date of signing these financial statements. The Company intends to rely on such support to bridge working capital demands, in preference to seeking external financing. The Directors are satisfied that C&C Group Plc will be in a position to provide such support given its cash reserves, access to further funding given its listing on the FTSE 250, alongside continued cash flows from sales in the Off Trade and banking support.

Bibendum Off Trade Limited

Directors' Report (continued)

For the year ended 28 February 2021

III. Financial instruments

The Company finances its activities with a combination of cash and deposits in financial institutions. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. The Company also enters into financial contracts to purchase set amounts of currencies at set prices.

Financial instruments give rise to liquidity, foreign exchange and credit risk. Information on how these risks arise is set out above in the Strategic Report, as are the objectives and processes for their management.

IV. Company objectives

The Company's ultimate objective is to grow profits and cash flows via a strategy centred on enhancing the customer offering and service and a renewed focus on the more profitable trade-up and premium wine range within the Off Trade.

V. Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are communicated the performance of the Company as a whole at appropriate times throughout the year, with additional communications occurring through in-house newsletters and briefing groups.

VI. Directors

The Directors who served during the year and to the date of this report were:

James Kowszun

Ewan Robertson (Appointed 12th March 2020)

Michael Saunders

VII. Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Bibendum Off Trade Limited

Directors' Report (continued)

For the year ended 28 February 2021

VIII. Future developments and post balance sheet events

The announcement of the UK governments roadmap to re-open the UK hospitality industry by mid-June, which was later delayed by 4 weeks, means that Bibendum Off Trade will not have the same Covid boost that it saw in FY21. However strong trading and a number of new listing across many of our customers mean that the Company is confident we will have turned some of this short-term upside into sustainable longer term gains.

In the longer term, the Company plans to increase profitability by increasing its share of the Off Trade market and increase margins by focusing on the trade-up and premium end of the market, this will include attempts to launch branded propositions into the market.

The agreement of a payment schedule in relation to the settlement of the legal case has moved €383,000 from current liabilities to long term as payment of this amount will not be due until April 2022. This payment schedule was agreed between all parties during June 2021.

There were no other significant balance sheet events between the date of these accounts and the final date of signing.

IX. Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

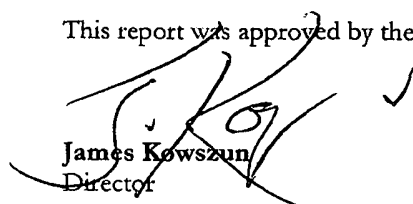
- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

X. Auditor

Pursuant to Section 485 of the Companies Act 2006, Ernst & Young, Chartered Accountants, has been appointed as auditor this reporting period. The auditor, Ernst & Young, Chartered Accountants will be proposed for reappointment in accordance with section 487 for the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:



James Kowszun
Director

109a Regents Park Road, London, NW1 8UR

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework. 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 of the profit or loss of the Company for that period. In preparing these financial statements, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBENDUM OFF TRADE LIMITED

Opinion

We have audited the financial statements of Bibendum Off Trade Limited for the year ended 28 February 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 28 February 2021 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from the date when the financial statements are authorised for issue. The going concern assessment was performed up to September 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBENDUM OFF TRADE LIMITED (Continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBENDUM OFF TRADE LIMITED (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax legislation in the United Kingdom. In addition, the Company should comply with laws and regulations relating to its operations, including health and safety, employees, data protection, and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the company determines and implements its policies and procedures in these areas and corroborated this by inspecting supporting documentation. We inspected correspondence with relevant authorities. We inspected board minutes to identify non-compliance with laws and regulations, and we inspected significant agreements impacting the company in the financial year.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBENDUM OFF TRADE LIMITED
(Continued)**

**Explanation as to what extent the audit was considered capable of detecting irregularities,
including fraud (continued)**

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by inquiry of management, those charged with governance and others within the entity, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address the fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material misstatement.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Owen Smithers (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Cork

Date: 28 September 2021

Bibendum Off Trade Limited

Profit and Loss Account and Other Comprehensive Income

For the year ended 28 February 2021

	Note	2021 £000	2020 £000
Turnover	2	89,760	89,370
Cost of sales		(84,255)	(84,640)
Gross profit		5,505	4,730
Administrative expenses		(2,797)	(2,721)
Operating profit	3	2,708	2,009
Interest payable and expenses	4	(25)	(18)
Profit before tax		2,683	1,991
Tax (expense)/credit	7	(203)	249
Profit for the year		2,480	2,240
Other comprehensive income		-	-
Total comprehensive income for the year		2,480	2,240

All amounts relate to continuing operations.

The notes on pages 18 to 33 form part of these financial statements.

Bibendum Off Trade Limited

Balance Sheet

As at 28 February 2021

		2021 £000	2020 £000
Fixed assets	Note		
Tangible assets	8	-	3
		-	3
Current assets			
Stocks	10	7,293	9,417
Debtors: amounts falling due within one year	11	13,390	12,344
Cash at bank and in hand		15,207	11,891
		35,890	33,652
Creditors: amounts falling due within one year	13	(22,902)	(44,576)
Net current assets/(liabilities)		12,988	(10,924)
Total assets/(liabilities)		12,988	(10,921)
Capital and reserves			
Called up share capital	14	9,100	100
Capital contributions		12,429	-
Profit and loss account		(8,541)	(11,021)
Total capital and reserves		12,988	(10,921)

Registered number: 01655729

The notes on pages 18 to 33 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 28th September 2021.

James Kowszun

Director

Bibendum Off Trade Limited

Statement of Changes in Equity

For the year ended 28 February 2021

	Share capital £000	Capital Contributions £000	Retained earnings £000	Total equity £000
Balance as at 1 March 2020	100	-	(11,021)	(10,921)
Profit in the year	-	-	2,480	2,480
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	2,480	2,480
Capital contribution received	-	12,429	-	12,429
Allotted shares in year	9,000	-	-	9,000
Balance as at 28 February 2021	9,100	12,429	(8,541)	12,988

Statement of Changes in Equity

For the year ended 28 February 2020

	Share capital £000	Retained earnings £000	Total equity £000
Balance as at 1 March 2019	100	(13,261)	(13,161)
Total comprehensive income for the year	-	2,240	2,240
Balance as at 28 February 2020	100	(11,021)	(10,921)

Bibendum Off Trade Limited

Notes to the Financial Statements

For the year ended 28 February 2021

1. Accounting policies

Bibendum Off Trade Limited (the “Company”) is a company incorporated and domiciled in the UK.

i. Basis of preparation

The Company’s financial statements have been prepared in accordance Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”), and in accordance with applicable accounting standards. The financial statements were authorised for issue by the Board of directors on 28th September 2021.

The Company’s immediate parent undertaking is Bibendum Group Limited. The Company’s ultimate controlling party is C&C Group Plc, a company incorporated in Ireland. The Company will be included as part of the consolidated accounts of C&C Group Plc. The consolidated financial statements of C&C Group Plc were prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB), as adopted by the EU and as applied in accordance with Companies Act 2014, and are available to the public and may be obtained from its registered office at Bulmers House, Keeper Road, Crumlin, Dublin 12, Dublin.

The accounting policies set out below have, unless otherwise stated, have been applied consistently to all periods presented in these financial statements. These financial statements are presented in sterling which is the functional currency of the Company and have been presented to the nearest thousand.

The financial statements are prepared on a historical cost basis.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company has taken the exemptions under FRS 101 available in respect of the following disclosures:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose entered into between two or more members of a group, provided party to the transaction is wholly owned by such a member

The Company’s business activities, together with the factors likely to affect its future development, position and strategy, are set out in the Strategic report on pages 1 to 6.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

1. Accounting policies (continued)

ii. Application of new and revised International Financial Reporting Standards

There are no new standards or amendments to standards effective in the period which have had a material effect on these financial statements.

iii. Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at historical cost less provisions for impairment losses.

iv. Turnover

IFRS 15 Revenue from Contracts with Customers (IFRS 15) establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue comprises an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer, these are exclusive of value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives. Provision is made for returns where appropriate. The Group recognises revenue in the amount of the price expected to be received for goods and services supplied at a point in time or over time, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Where revenue is earned over time as contractual performance obligations are satisfied, the percentage-of-completion method remains the primary method by which revenue recognition is measured.

The Company distributes wine, in which revenue is recognised at a point in time when control is deemed to pass to the customer upon leaving the Companies ownership in country of origin or upon delivery to a customer depending on the terms of sale. Contracts do not contain multiple performance obligations (as defined by IFRS 15).

The Company is deemed to be a principal to an arrangement when it controls a promised good or service before transferring them to a customer; and accordingly recognises the revenue on a gross basis.

Where the Company does not take control of goods and acts as an agent, a commission payment is received from the supplier, revenue is recognised once the end customer has agreed receipt of goods and the supplier has confirmed volumes.

v. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, less impairment losses, if any. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Fixtures and fittings	- 15%-25% straight line per annum
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Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

1. Accounting policies (continued)

vi. Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. FIFO inventory method is also applied. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

vii. Pension costs

As was the case in previous years, the Company does not employ staff directly but is recharged all relevant employment costs from another company within the group. That company operates a stakeholder defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year. The assets of the scheme are held separately from those of the Company/Group in an independently administered fund.

viii. Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

a) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences in respect of the initial recognition of assets and liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

ix. Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction, or at an average rate for the financial year, if the rates do not fluctuate significantly. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

1. Accounting policies (continued)

x. Financial instruments

Trade receivables are initially recognised at fair value (which usually equals the original invoice value) and are subsequently measured at amortised cost less loss allowance or impairment losses. The Company applies the simplified approach permitted by IFRS 9 Financial Instruments to measure expected credit losses for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The carrying amount of these receivables approximates their fair value as these are short-term in nature; hence, the maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. Trade receivables are derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

xi. Impairment of trade and other debtors

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit and loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

xii. Trade and other creditors

Trade payables are obligations to pay for goods and services which have been acquired in the commercial operations of the Company. Trade payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

xiii. Cash in hand and bank

Cash in the balance sheet comprises cash at banks and in hand and short term deposits with an original maturity of three months or less.

xiv. Interest receivable and similar income

Interest receivable and similar income comprise interest receivable on funds invested. Interest receivable is recognised in the profit and loss account on an effective interest method.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

1. Accounting policies (continued)

xv. Interest payable and similar charges

Interest payable and similar charges comprise interest payable on bank borrowings and interest on obligations under finance leases. Interest payable and similar charges are recognised in the profit and loss account on an effective interest method.

xvi. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

xvii. Exceptional costs

Exceptional costs comprise material items of expenditure that require them to be disclosed separately because of their non-recurring nature in the ordinary course of business.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

1. Accounting policies (continued)

xviii. Going concern

The financial statements have been prepared on the going concern basis, which assumes the Company will be able to meet its liabilities as they fall due, for at least the next 12 months.

Banking facilities are now in place to cover working capital, capital investment and other corporate requirements. Under C&C ownership, the Directors have prepared cash flow forecasts and whilst the nature of the Company's business means that there can be unpredictable variations in the timing of cash flow, taking account of possible changes in the Company's performance, the Directors have concluded that the Company should be able to operate within the level of its current facilities. The strong cash position at year end of £15.2m (2020 £11.891m) shows a strong commitment to improving the financial position of the business.

In preparing those forecasts, the Directors have taken into account various risks and uncertainties. The principal areas of risk and uncertainties are the impact of the wider economic climate on the achievement of operating targets, in particular project revenue and gross margins. In addition to these risks and uncertainties, the Company's performance is also impacted by financial and credit risks. The Directors have a documented policy in relation to managing these risks.

The Company has made a profit during the year and has also moved to a position of net assets after being in a net liabilities position the year prior. Should further support be required, C&C Group Plc, the Company's ultimate parent undertaking, has indicated that it will provide or procure such funds as necessary to enable the Company to settle all liabilities as they fall due for at least the next twelve months from the date of signing these financial statements. The Company intends to rely on such support to bridge working capital demands, in preference to seeking external financing. The Directors are satisfied that C&C Group Plc will be in a position to provide such support given its cash reserves, access to further funding given its listing on the FTSE 250, alongside continued cash flows from sales in the Off Trade and banking support.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

1. Accounting policies (continued)

xix. Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The items in the financial statements where these judgements and estimate have been made include:

- Provisions made against stock: management review stock on a line by line basis to determine whether any impairment is required.
- Provisions made against bad debts: in relation to the decision on whether to provide for outstanding debtors, management make decisions on a case by case basis in assessing individual debtor recoverability. In accordance with IFRS 9, expected lifetime credit loss is equivalent to the credit loss provided.
- Provisions made against legal cases: in relation to the decision on whether to provide for ongoing legal cases, management make decisions assessing the expected expense with the legal department.
- Taxation - There are many transactions and calculations during the ordinary course of business, for which the ultimate tax determination is uncertain and the complexity of the tax treatment may be such that the final tax charge may not be determined until a formal resolution has been reached with the relevant tax authority which may take extended time periods to conclude. The ultimate tax charge may, therefore, be different from that which initially is reflected and provision and any such differences could have a material impact on the Company's income tax charge and consequently financial performance. The determination of the provision for income tax is based on management's understanding of the relevant tax law and judgement as to the appropriate tax charge, and management believe that all assumptions and estimates used are reasonable and reflective of the tax legislation. Where the final tax charge is different from the amounts that were initially recorded, such differences are recognised in the income tax provision in the period in which such determination is made. Deferred tax assets in respect of deductible temporary differences are recognised only to the extent that it is probable that taxable profits or taxable temporary differences will be available against which to offset these items. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. The recognition of deferred tax assets is based on management's judgement and estimate of the most probable amount of future taxable profits and taking into consideration applicable tax legislation. Retrospective discounts: in determining the required accrual at a point in time for retrospective discount arrangements including steps or ratchets, estimates can be necessary in relation to anticipated volumes/sales levels to occur over the full length of the arrangement. For renewed arrangements sales history is used to inform these estimates, with new arrangements being accrued on a prudent basis and reviewed cyclically throughout the length of the arrangement.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

2. Turnover

The turnover and profit before tax are attributable to the principal activity of the Company, that of wine distributors in the United Kingdom and Ireland.

	28 February 2021 £000	28 February 2020 £000
United Kingdom	86,909	87,006
ROI	2,781	2,172
Other EU Sales	70	191
Total Turnover	<u>89,760</u>	<u>89,370</u>

3. Operating profit/loss

The operating profit/loss is stated after charging:

	28 February 2021 £000	28 February 2020 £000
Depreciation of tangible fixed assets - owned by the Company	3	18
Foreign exchange loss/(gain)	(56)	227
Bad debt expense	99	90
Stock write off	-	30

For the year ended 28 February 2021, the auditor's remuneration was £62,680.

4. Interest payable and similar charges

	28 February 2021 £000	28 February 2020 £000
Interest payable on bank and other borrowings	<u>25</u>	<u>18</u>

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

5. Staff costs

Staff costs, including Director's remuneration, were as follows:

	28 February 2021 £000	28 February 2020 £000
Wages and salaries	1,549	1,575
Social security costs	170	161
Pension contributions	65	60
	<u>1,784</u>	<u>1,796</u>

The average monthly number of employees, including the Directors, during the period were as follows:

	2021 No.	2020 No.
Office and management	7	8
Selling and distribution	31	29
	<u>38</u>	<u>37</u>

As in previous years the Company does not directly employ any members of staff, these staff members are contracted to another company in our group, Matthew Clarke Bibendum Ltd which the costs for the relevant staff members being recharged.

6. Directors' remuneration

The Directors' remuneration was borne by another Group company during the year ended 28 February 2021 as it is impracticable to identify the remuneration in respect of qualifying services related to each fellow undertaking (2020: Borne by another Group company)

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

7. Taxation

	28 February 2021 £000	28 February 2020 £000
Analysis of tax charge in the period		
Current tax		
UK corporation tax charge on profit for the period	-	-
Adjustments in respect of prior periods	-	34
Total current tax	-	34
Deferred tax (see also note 12)		
Origination and reversal of timing difference	(254)	214
Adjustment in respect of prior periods	-	1
Effect of tax rate change on opening balance	51	-
Total deferred tax	-	215
Tax (charge) / credit on profit on ordinary activities	(203)	249

Factors affecting tax expense for the period

	28 February 2021 £000	28 February 2020 £000
Profit on ordinary activities before tax	2,683	1,990
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%).	510	378
Effects of:		
Expenses not deductible	-	1
Losses utilised on which no deferred tax recognised	(256)	(233)
Transfer pricing adjustments	-	(30)
Adjustments to tax charge in respect of prior years	-	(35)
Effect of tax rate change	(51)	(12)
Deferred tax previously unrecognised	-	(318)
Total tax (credit)/charge for the period	203	(249)

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

7. Taxation (continued)

Factors that may affect future tax charges

Legislation was enacted during the year to confirm the 19% UK corporation tax rate to remain in place until 1 April 2023 therefore, deferred tax has been provided using the 19% rate. The UK corporation tax rate is due to increase to 25% from 1 April 2023 however, this legislation is not yet enacted.

8. Tangible fixed assets

	Fixture and Fittings £000	Total £000
Cost		
As at 1 March 2020	69	69
Additions	-	-
Disposals	-	-
As at 28 February 2021	69	69
Depreciation		
As at 1 March 2020	66	66
Charge for the period	3	3
On disposals	-	-
As at 28 February 2021	69	69
Net book value		
As at 28 February 2021	-	-
As at 28 February 2020	3	3

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

9. Investments

The Company had interests in the ordinary share capital of the following subsidiary undertakings as at 28 February 2021:

Company name	Class of shares held	Principal activity	Country of incorporation	Percentage ownership
PLB Wines Limited *	Ordinary	Dormant	England	100%
West Country Beverages Limited ^	Ordinary	Dormant	England	100%
The Real Rose Company Limited*	Ordinary	Dormant	England	100%

*The registered address is Whitchurch Lane, Whitchurch, Bristol, England BS14 OJZ.

^ The registered address is C/O TLT, 1 Redcliff Street, Bristol, BS1 6TP.

10. Stocks

	2021	2020
	£000	£000
Finished goods	3,796	5,852
Dry Goods Inventory	524	420
Bulk Wine in Transit	2,973	3,145
Total Inventor	7,293	9,417

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

11. Debtors: amounts falling due within one year

	2021	2020
	£000	£000
Due within One Year		
Trade debtors	10,164	8,312
Amounts owed by other group companies	2,095	-
VAT recoverable	636	394
Other debtors	(6)	137
Prepayments and accrued income	370	3,167
Deferred tax asset (refer note 12)	131	334
Corporation tax	-	-
	13,390	12,344

12. Deferred tax asset

The recoverability of the deferred tax asset is dependent on future taxable profits in excess of those arising from the reversal of deferred tax liabilities. The deferred tax asset has been recognised to the extent that it is considered to be recoverable based on future forecasts.

	2021	2020
	£000	£000
At beginning of the period	334	119
Adjustment in respect of prior years	-	1
Deferred tax charge to Profit and Loss for the period	(203)	214
At end of the period	131	334

The deferred tax asset is made up as follows:

	2021	2020
	£000	£000
Depreciation in excess of capital allowances/ (accelerated capital allowances)	-	9
Losses	131	318
Temporary differences trading	-	7
	131	334

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

13. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	17,699	18,846
Excise and Customs Duty	313	191
Other creditors	3,153	8,175
Accruals	1,737	1,919
Amounts due to group undertakings	-	15,445
	<u>22,902</u>	<u>44,576</u>

Amounts owed to Group undertakings and Other creditors are payable on demand and non-interest bearing.

Included within Other Creditors is a Rabo Facility Creditor totalling £2,954k to which the Company was entitled and received funding for. This represents a group borrowing facility that C&C Group Plc has entered into for its group of companies and is repayable on demand. The term of this arrangement is 12 months with the current term ending on 29 May 2021, all costs relating to this agreement are borne at a group level.

Included within accruals and deferred income is a legal provision of £1,182k (2020: £1,182k), the claim commenced in November 2015 and relates to supply of products by SAS Maison Jean-Claude Fromont, the provenance of which is disputed by the Company. The debt has been assigned to SA Cofacredit and attempts to settle in 2017 were unsuccessful, with the claim proceeding to trial on 1 October 2018. The Commercial Court of Auxerre decided against Bibendum PLB Group Limited and PLB Group Limited (together "Bibendum") on 17 December 2018, dismissing their counter-claims and awarding EUR 1,305,399 plus interest and a further EUR 25,000 for costs. As a result, the Company provided additional provision during 2018 in line with the court decision.

In April 2021 the French court once again found against Bibendum PLB Group Ltd, a payment plan has been agreed post year end which will see a payment of €383,000 delayed until April 2022.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

14. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
Ordinary shares of £1 each		
At beginning of the year	100	100
Issued for cash	9,000	-
At end of the year	<u>9,100</u>	<u>100</u>

On 18 February 2021, 9,000,000 ordinary shares with aggregate nominal value of £9,000,000 were issued for cash at £1 each.

15. Capital commitments

There were no capital commitments as at 28 February 2021 (28 February 2020: Nil).

16. Pension commitments

Contributions recognised as an employee benefit expense for the year ended 28 February 2021 were £65,000 (2020: £60,000).

17. Post balance sheet events

The agreement of a payment schedule in relation to the settlement of the legal case has moved €383,000 from current liabilities to long term as payment of this amount will not be due until April 2022. This payment schedule was agreed between all parties during June 2021.

There were no other significant balance sheet events between the date of these accounts and the final date of signing.

18. Economic uncertainty relating to the Covid-19 Pandemic

The lockdown of the UK and temporary closures of the On Trade business has resulted in an increase in trading in the Off Trade sector as consumers switch from going out to bars and restaurants (On Trade) to buying from Supermarkets and Convenience stores (Off Trade) to consume at home. This has resulted in an increase in sales during this time. Whilst the government has allowed the reopening of the On Trade in some capacity since July 2020, the extent of On Trade footfall, and hence demand, is still variable as restrictions change, but any delays in the On Trade returning to normal will in theory only increase sales to the Off Trade.

Bibendum Off Trade Limited

Notes to the Financial Statements (continued)

For the year ended 28 February 2021

18. Economic uncertainty relating to the Covid-19 Pandemic (continued)

The UK government have provided a clear roadmap to exit the various stages of lockdown however until the On Trade has fully re-opened it is hard to gauge how the past year has changed long term consumer behaviour, our expectation is that the consumer will have got used to a higher quality of wine at a lower price point from the Off Trade and may not be willing to give that up, our decision to position ourselves as a trade-up and premium partner to the Off Trade may see lasting benefits here.

Supply to customers has been a challenge over the course of Covid-19 as various countries had different restrictions at various points, most noticeably South Africa banning movement of goods for a period. Through strong planning and regular customer engagement the Company was able to advise its customer base where it expected issues and in turn was able to extend lead times on products to mitigate these risks. Where out of stocks did occur as a result of supply issues, the Company was able to offer alternative solutions through its supplier base to mitigate risks. Feedback from customers has been that whilst service over this time was not without its challenges, the Company's planning and engagement with them continued to be better than most of its competitors which allowed the Company to better plan its combined response and drive solutions.

The Company regularly reviews its cost base but in relation to Covid-19 no changes to this have been made or recommended. The Company believes that the cost base and staffing levels are correct for a business of its size and whilst it has been a challenging period, it has the correct structure to continue to drive growth post Covid-19.

19. Ultimate parent undertaking and controlling party

The immediate parent company is Bibendum Group Limited (formerly Bibendum PLB Group Limited). The ultimate parent company of Bibendum Off Trade Limited is C&C Group Plc, an Irish registered publicly listed company, which is the ultimate parent company and controlling party.

Registered office: Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702.