

BIBENDUM WINE LIMITED

REPORT AND ACCOUNTS

For the year ended

31 MARCH 2008

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BIBENDUM WINE LIMITED

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BIBENDUM WINE LIMITED

COMPANY INFORMATION

REGISTERED NUMBER 2218928

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

R S Cochrane
B J Collins
S C Farr
W O Lebus
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 LIMITED

DIRECTORS' REPORT

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

Group turnover increased by 31% from £96,227,000 to £126,206,000 Gross Profit was £19,433,000 (2007 £14,817,000), an increase of 31%

The operating profit for the year was £4,047,000 (2007 £3,841,000) an increase of 5.4%, which was lower than the increase in Gross Profit due to investment in infrastructure included in administration costs

Profit after taxation and minority interest was £1,958,000 (2007 £2,525,000) Borrowings and interest charges increased largely to fund The Argento Wine Company purchase and to fund a Group restructure

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 26

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

Credit risk

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

BIBENDUM WINE LIMITED

DIRECTORS' REPORT (continued)

Fixed assets

At 31 March 2007 the directors engaged Atisreal to complete an interim valuation of the Group's freehold property. The valuation indicated that the open market value of the property was £3,215,000.

Directors

The directors who served during the year are shown below

P I Espenhahn

M P Saunders

R S Cochrane

B J Collins

S C Farr

W O Lebus

J J Young

A J Arkwright

Resigned 4 June 2007

A M Vinton

Resigned 7 June 2007

H M C Morley

Resigned 7 June 2007

G A Wahab

Resigned 15 June 2007

Charitable donations

During the year the Group made charitable donations of £1,858 (2007 £4,360)

Directors' statement as to disclosure of information to 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

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information

Auditors

Nexia Smith & Williamson have indicated their willingness to continue as auditors of the Company and a resolution to reappoint the auditors, Nexia Smith & Williamson, will be proposed at the next AGM.

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



J J Young
SECRETARY

15 August 2008

BIBENDUM WINE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting 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 Limited

We have audited group and parent company accounts ('the accounts') of Bibendum Wine Limited for the year ended 31 March 2008 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, and the related notes 1 to 35. 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 year 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 LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2008**

	Notes	2008 £'000	2007 £'000
Turnover		126,206	104,220
Less joint venture turnover		-	(7,993)
Turnover – Group	2	126,206	96,227
Cost of sales		(106,773)	(81,410)
Gross profit		19,433	14,817
Selling and distribution costs		(9,245)	(7,565)
Administrative expenses		(6,141)	(3,657)
Group operating profit	3,4	4,047	3,595
Share of joint venture operating profit		-	246
Operating profit including joint venture		4,047	3,841
Interest receivable and similar income	5	23	25
Interest payable and similar charges	6	(826)	(211)
Profit on ordinary activities before taxation		3,244	3,655
Tax on profit on ordinary activities	8	(1,095)	(1,130)
Profit on ordinary activities after taxation		2,149	2,525
Minority interest		(191)	-
Profit for the year		1,958	2,525
Earnings per share	31	97 7p	125 0p
Fully-diluted earnings per share	31	95 7p	111 3p

All of the group's operations are classed as continuing

BIBENDUM WINE LIMITED**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year
ended 31 March 2008**

	2008 £'000	2007 £'000
Profit for the financial year	1,958	2,525
Unrealised surplus on revaluation of property	-	630
Total recognised gains and losses relating to the year	1,958	3,155

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

	Notes	2008 £'000	2007 £'000
Fixed assets			
Intangible assets - goodwill	10	822	811
Intangible assets - brands	11	1,778	1,882
Tangible assets	12	3,481	3,542
		<hr/>	<hr/>
		6,081	6,235
Current assets			
Stock	14	10,601	7,375
Debtors	15	38,802	22,684
Cash at Bank		566	1,842
		<hr/>	<hr/>
		49,969	31,901
Creditors: amounts falling due within one year	16	(43,767)	(27,087)
		<hr/>	<hr/>
Net current assets		6,202	4,814
		<hr/>	<hr/>
Total assets less current liabilities		12,283	11,049
Creditors: falling due after more than one year	17	(557)	(668)
		<hr/>	<hr/>
Net assets		11,726	10,381
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	18	2,010	1,991
Share premium account	19	1,192	1,146
Share option reserve	20	23	23
Own shares in EBT		(7)	(7)
Revaluation reserve	21	1,530	1,530
Capital Contribution	22	14	-
Profit and loss account	23	6,630	5,422
		<hr/>	<hr/>
Shareholders' funds	24	11,392	10,105
Minority interest	25	334	276
		<hr/>	<hr/>
		11,726	10,381
		<hr/>	<hr/>

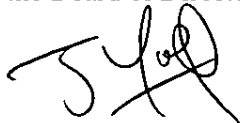
The accounts were approved by the Board of Directors on 15 August 2008 and were signed on behalf of the Board of Directors


J J Young
Director

BIBENDUM WINE LIMITED
COMPANY BALANCE SHEET as at 31 MARCH 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	12	3,473	3,528
Investments	13	4,164	4,110
		<hr/> 7,637	<hr/> 7,638
Current assets			
Stock	14	10,601	7,375
Debtors	15	36,674	21,443
Cash at Bank		539	807
		<hr/> 47,814	<hr/> 29,625
Creditors: amounts falling due within one year	16	(43,856)	(26,773)
		<hr/>	<hr/>
Net current assets		3,958	2,852
		<hr/>	<hr/>
Total assets less current liabilities		11,595	10,490
Creditors: falling due after more than one year	17	(557)	(668)
		<hr/>	<hr/>
Net assets		11,038	9,822
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	18	2,010	1,991
Share premium account	19	1,192	1,146
Share option reserve	20	23	23
Revaluation reserve	21	630	630
Own shares in EBT		(7)	(7)
Capital contribution	22	14	-
Profit and loss account	23	7,176	6,039
		<hr/>	<hr/>
Shareholders' funds	24	11,038	9,822
		<hr/>	<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 LIMITED**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 MARCH 2008**

	Notes	2008 £'000	2007 £'000
Net cash (outflow)/inflow from operating activities	27	(3,465)	2,488
Returns on investments and servicing of finance			
Interest received		23	20
Interest paid		(826)	(211)
Net cash (outflow) for returns on investments and servicing of finance		(803)	(191)
Returns on investment and servicing of finance			
Dividend paid to minority shareholder in subsidiary company		(133)	-
Taxation			
Net tax paid		(1,414)	(759)
Capital Expenditure			
Payments to acquire tangible fixed assets		(378)	(236)
Acquisitions			
Cash acquired on acquisition of investments		-	1,035
Payments to acquire investments		(54)	(4,100)
Net cash (outflow) from acquisitions		(54)	(3,065)
Equity dividend paid		(750)	(587)
Cash (outflows) before financing		(6,997)	(2,350)
Financing			
New bank loan		-	4,122
Repayment of bank loan		(4,233)	(136)
Proceeds of new share capital issued		65	-
Net cash (outflow) / (inflow) from financing activities		(4,168)	3,986
(Decrease) / increase in cash	28	(11,165)	1,636

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year 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

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

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

Intangible fixed assets - goodwill

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

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

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. Shares held by the trust are shown as a deduction to shareholders' funds. Amounts transferred which are awaiting investment in the company's shares are included in debtors. Administration expenses are charged to the profit and loss account as they accrue

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year 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 been 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, that 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 are not 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 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 LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2008 (continued)****1 Accounting policies (continued)****Pension costs**

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

Leases

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

2 Turnover	2008	2007
	£'000	£'000
United Kingdom	119,473	94,507
Rest of the World	6,733	1,720
	<hr/>	<hr/>
	126,206	96,227
	<hr/>	<hr/>
3 Auditors' remuneration	£'000	£'000
Auditors' remuneration for audit of the group and company	40	39
Other services		
Auditing the accounts of subsidiaries	13	-
Auditing the accounts of associates	-	2
Other services relating to taxation	23	26
	<hr/>	<hr/>
4 Operating profit	£'000	£'000
Operating profit is stated after charging		
Depreciation	439	351
Amortisation	147	-
Operating leases – other assets	305	246
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

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

5	Interest receivable and similar income	2008 £'000	2007 £'000
	Bank interest receivable	23	20
	Share of joint venture interest receivable	-	5
		<hr/>	<hr/>
		23	25
		<hr/>	<hr/>

6	Interest payable and similar charges	2008 £'000	2007 £'000
	Interest on bank loans and overdraft	826	211
		<hr/>	<hr/>
		826	211
		<hr/>	<hr/>

7	Information regarding directors and employees	2008 £'000	2007 £'000
	Employee costs during the year amounted to		
	Wages and salaries	6,918	5,911
	Social security costs	808	547
	Pension costs	206	164
		<hr/>	<hr/>
		7,932	6,622
		<hr/>	<hr/>

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

	No.	No.
Selling and distribution	136	118
Administration	48	33
	<hr/>	<hr/>
	184	151
	<hr/>	<hr/>

Directors' remuneration

Directors' remuneration was paid as follows

	£'000	£'000
Aggregate emoluments (excluding pension contributions)	739	1,059
Company pension contributions to money purchase schemes	53	44
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

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

7	Information regarding directors and employees (continued)	2008	2007
		£'000	£'000
	The remuneration of the highest paid director was as follows		
	Aggregate emoluments (excluding pension contributions)	200	333
	Company pension contributions to money purchase schemes	15	12
		<hr/>	<hr/>
	The highest paid director did not receive any share options in the year No directors at 31 March 2008 exercised share options in the year		
8	Tax on profit on ordinary activities	2008	2007
		£'000	£'000
	(a) Analysis of charge in the year		
	<i>Current tax</i>		
	UK corporation tax on profits for the year	1,115	1,087
	Share of joint venture tax	-	76
	Adjustments in respect of previous years	8	(18)
		<hr/>	<hr/>
	<i>Total current tax</i>	1,123	1,145
	<i>Deferred tax</i>		
	Origination and reversal of timing differences	(28)	(15)
		<hr/>	<hr/>
	Tax on profit on ordinary activities	1,095	1,130
		<hr/>	<hr/>
	<i>Factors affecting the tax charge for the period</i>		
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007 30%)	977	1,097
	Depreciation in excess of capital allowances/(Capital allowances in excess of depreciation)	2	(9)
	Expenses not deductible for tax purposes	103	75
	Other short-term timing differences	33	-
	Adjustments in respect of previous years	8	(18)
		<hr/>	<hr/>
	Total current tax charge	1,123	1,145
		<hr/>	<hr/>

At 31 March 2008 a deferred tax asset of £68,000 (2007 £40,000) has been recognised in respect of an excess of depreciation over capital allowances The directors believe the benefits of this asset will crystallise in the future

BIBENDUM WINE LIMITED

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

9	Dividend	2008 £'000	2007 £'000
	Dividend paid 33p per share (2007 33p per share)	750	587

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

10	Intangible fixed assets - Goodwill	Goodwill £'000
	Cost	
	1 April 2007	811
	Additions	54
		<hr/>
	31 March 2008	865
	Amortisation	
	At 1 April 2007	-
	Charge for the year	43
		<hr/>
	At 31 March 2008	43
		<hr/>
	Net book value	
	31 March 2008	822
		<hr/>
	31 March 2007	811
		<hr/>

11	Intangible fixed assets – brands	Brands £'000
	Cost	
	1 April 2007	1,882
	Acquisitions	-
		<hr/>
	31 March 2008	1,882
	Amortisation	
	At 1 April 2007	-
	Charge for the year	104
		<hr/>
	At 31 March 2008	104
		<hr/>

BIBENDUM WINE LIMITED

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

11	Intangible fixed assets – brands (continued)					Brands £'000
	Net book value					
	31 March 2008					1,778
	31 March 2007					1,882
12	Tangible fixed assets					
a. Group	Total £'000	Freehold land and buildings £'000	Property improve- ments £'000	Office furniture and equipment £'000	Motor Vehicles £'000	Computer equipment £'000
Cost or valuation						
At 1 April 2007	5,320	2,230	1,453	286	10	1,341
Additions	378	-	10	103	-	265
At 31 March 2008	5,698	2,230	1,463	389	10	1,606
Depreciation						
At 1 April 2007	1,778	-	468	272	-	1,038
Charge for the year	439	-	213	26	3	197
At 31 March 2008	2,217	-	681	298	3	1,235
Net book value						
At 31 March 2008	3,481	2,230	782	91	7	371
At 31 March 2007	3,542	2,230	985	14	10	303

The cost of the freehold land and buildings to the Group as at 31 March 2008 was £700,000 (2007 £700,000)

At 31 March 2007 the directors engaged Atisreal to complete an interim valuation of the Group's freehold property. The valuation indicated that the open market value of the property was £3,215,000

BIBENDUM WINE LIMITED
NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2008 (continued)
12 Tangible fixed assets (continued)

b. Company	Total £'000	Freehold land and buildings £'000	Property improve- ments £'000	Office furniture and equipment £'000	Computer equipment £'000
Cost or valuation					
At 1 April 2007	5,306	2,230	1,453	286	1,337
Additions	378	-	10	103	265
Revaluation					
At 31 March 2008	5,684	2,230	1,463	389	1,602
Depreciation					
At 1 April 2007	1,778	-	468	272	1,038
Charge for the year	433	-	213	26	194
At 31 March 2008	2,211	-	681	298	1,232
Net book value					
At 31 March 2008	3,473	2,230	782	91	370
At 31 March 2007	3,528	2,230	985	14	299

BIBENDUM WINE LIMITED

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

13 Fixed asset investments

Shares held in subsidiaries

	Company	
	2008	2007
	£'000	£'000
Cost		
1 April 2007	4,808	708
Additions	54	4,100
	<hr/>	<hr/>
31 March 2008	4,862	4,808
	<hr/>	<hr/>
Provision for impairment in value		
1 April 2007 and 31 March 2008	(698)	(698)
	<hr/>	<hr/>
Net book value		
31 March 2008	4,164	4,110
	<hr/>	<hr/>

The company's subsidiaries are as follows

	Country of incorporation	Holding	Nature of business
Mixbury Trading Company Limited	England	100%	Non-trading
The Yorkshire Fine Wine Company Limited	England	100%	Dormant
H Youdell and Company Limited	England	100%	Dormant
The Argento Wine Company Limited*	England	66⅔%	Wine Distributor

* 33⅓% is held by Mixbury Trading Company 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

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

14	Stock	Group and Company			
		2008	2007		
		£'000	£'000		
	Goods held for resale	10,601	7,375		
<hr/>					
15	Debtors	Group		Company	
		2008	2007	2008	2007
		£'000	£'000	£'000	£'000
	Trade debtors	32,301	22,005	30,476	20,764
	Other debtors	268	96	42	96
	Deferred tax	68	40	46	40
	Amounts due from the Employee Benefit Trust (due in over one year)	153	153	153	153
	Amounts due from parent undertaking	3,580	-	3,580	-
	Prepayments and accrued income	2,432	390	2,377	390
		<hr/>	<hr/>	<hr/>	<hr/>
		38,802	22,684	36,674	21,443
<hr/>					
16	Creditors: amounts falling due within one year	Group		Company	
		2008	2007	2008	2007
		£'000	£'000	£'000	£'000
	Current portion of bank loan (note 17)	143	4,265	143	4,265
	Bank overdraft	12,528	2,639	12,528	2,639
	Trade creditors	25,093	14,769	25,016	13,648
	Corporation tax	448	739	361	510
	Amounts owed to group undertaking	-	-	1,285	1,036
	Other creditors including taxation and social security	1,547	1,361	1,006	1,361
	Accruals and deferred income	4,008	3,314	3,517	3,314
		<hr/>	<hr/>	<hr/>	<hr/>
		43,767	27,087	43,856	26,773
<hr/>					

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 LIMITED

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

17	Creditors amounts falling due after more than one year	Group and Company	
		2008	2007
		£'000	£'000
	Bank loans	557	668
	The bank loans are repayable as follows		
	due in less than one year (note 16)	143	4,265
	due between one and two years	143	143
	due between two and five years	315	426
	due in more than five years	99	99
		557	668

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.

18	Called up share capital	2008	2007
		£'000	£'000
	Authorised		
	2,438,700 (2007: 2,438,700) ordinary shares of £1 each	2,439	2,439
	Allotted, called up and fully paid	£'000	£'000
	2,009,938 (2007: 1,991,188) ordinary shares of £1 each	2,010	1,991

During the year 18,750 Ordinary shares of £1 each have been allotted at a premium of £2.50 per share and share options were transferred to Bibendum Wine Holdings Limited.

19	Share premium account	Group	Company
		2008	2008
		£'000	£'000
	At 1 April 2007	1,146	1,146
	Movement during the year	46	46
	At 31 March 2008	1,192	1,192

BIBENDUM WINE LIMITED

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

20 Share option reserve

	Group 2008 £'000	Group 2007 £'000
At 1 April 2007	23	-
Movement during the year	-	23
	<hr/>	<hr/>
At 31 March 2008	23	23
	<hr/>	<hr/>

	Company 2008 £'000	Company 2007 £'000
At 1 April 2007	23	-
Movement during the year	-	23
	<hr/>	<hr/>
At 31 March 2008	23	23
	<hr/>	<hr/>

21 Revaluation reserve

	Group 2008 £'000	2007 £'000
At 1 April 2007	1,530	900
Revaluation during the year	-	630
	<hr/>	<hr/>
At 31 March 2008	1,530	1,530
	<hr/>	<hr/>

	Company 2008 £'000	2007 £'000
At 1 April 2007	630	-
Revaluation during the year	-	630
	<hr/>	<hr/>
At 31 March 2008	630	630
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

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

22 Capital contribution	Group 2008 £'000	Company 2008 £'000
At 1 April 2007	-	-
Movement during the year	14	14
	<hr/>	<hr/>
At 31 March 2008	14	14
	<hr/>	<hr/>

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

23 Profit and loss account	Group £'000	Company £'000
At 1 April 2007	5,422	6,039
Profit for the financial year	1,958	1,887
Dividend paid	(750)	(750)
	<hr/>	<hr/>
At 31 March 2008	6,630	7,176
	<hr/>	<hr/>

Cumulative goodwill written off to group reserves amounts to £371,000 (2007 £371,000)

24 Reconciliation of movements in shareholders' funds	Group 2008 £'000	2007 £'000
Profit for the financial year	1,958	2,525
Dividend	(750)	(587)
Revaluation of freehold land and buildings	-	630
Valuation of share options	-	23
Capital contribution movement in the year	14	-
Share premium movement in the year	46	-
Share capital issued	19	-
	<hr/>	<hr/>
Net addition to shareholders' funds	1,287	2,591
Opening shareholders' funds	10,105	7,514
	<hr/>	<hr/>
Closing shareholders' funds	11,392	10,105
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

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

24 Reconciliation of movements in shareholders' funds (continued)

	Company	
	2008	2007
	£'000	£'000
Profit for the financial year	1,887	2,350
Dividend	(750)	(587)
Revaluation of freehold land and buildings	-	630
Valuation of share options	-	23
Capital contribution movement in the year	14	-
Share capital issued	19	-
Share premium movement in the year	46	-
	<hr/>	<hr/>
Net addition to shareholders' funds	1,216	2,416
Opening shareholders' funds	9,822	7,406
	<hr/>	<hr/>
Closing shareholders' funds	11,038	9,822
	<hr/>	<hr/>

25 Minority interest

	Group	
	2008	2007
	£'000	£'000
At 1 April	276	-
Share of profit for the year	191	276
Dividend paid	(133)	-
	<hr/>	<hr/>
At 31 March	334	276
	<hr/>	<hr/>

26 Guarantees and other financial commitments

At 31 March 2008, the company had entered into forward foreign exchange purchase contracts with a value amounting to £4,065,000 (2007 £8,500,000)

27 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2008	2007
	£'000	£'000
Operating profit	4,047	3,595
Depreciation charge	439	351
Amortisation charge	147	-
Valuation of share options	14	23
Increase in stock	(3,226)	(1,665)
Increase in debtors	(16,090)	(3,889)
Increase in creditors	11,204	4,073
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(3,465)	2,488
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

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

28 Reconciliation of net cash flow to movement in net debt	2008	2007
	£'000	£'000
(Decrease)/ increase in cash in the period	(11,165)	1,636
Cash inflow from loans	4,233	(3,986)
Change in net debt	(6,932)	(2,350)
Net debt at 1 April	(5,730)	(3,380)
Net debt at 31 March	(12,662)	(5,730)

29 Analysis of changes in net debt during the year

	At 1 April 2007 £'000	Cash flows £'000	Other changes £'000	At 31 March 2008 £'000
Cash	1,842	(1,276)	-	566
Bank overdraft	(2,639)	(9,889)	-	(12,528)
	<u>(797)</u>	<u>(11,165)</u>	<u>-</u>	<u>(11,962)</u>
Debt due within one year	(4,265)	4,122	-	(143)
Debt due after one year	(668)	111	-	(557)
	<u>(4,933)</u>	<u>4,233</u>	<u>-</u>	<u>(700)</u>
	<u>(5,730)</u>	<u>(6,932)</u>	<u>-</u>	<u>(12,662)</u>

30 Operating leases

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

	2008	2007
	£'000	£'000
Leases expiring		
Within one year	216	201
Between two and five years	72	44
	<u>288</u>	<u>245</u>

BIBENDUM WINE LIMITED

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

31 Earnings per share

The basic earnings per share is based upon earnings of £1,958,000 (2007 £2,525,000) and the weighted average number of shares ranking for dividend during the year of 2,004,313 (2007 1,991,188)

The fully diluted weighted average number of shares of 2,045,146 (2007 2,233,688) has been calculated by taking the weighted average number of shares ranking for dividend and adjusted for potential equity shares

32 Share based payments – Equity based share option scheme

The Company 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.

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

	2008		2007	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At 1 April	125,000	£6.52	-	-
Granted during the year	-	-	125,000	£6.52
Lapsed/exercised during the year	-	-	-	-
Transferred to Bibendum Wine Holdings Limited	(125,000)	-	-	-
At 31 March	-	-	125,000	£6.52

The aggregate estimated fair value of the options at 31 March 2008 was £nil (2007 £142,000)

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

	2007
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%

BIBENDUM WINE LIMITED

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

33 Related party transactions

An amount of £153,000 in respect of shares sold by the Bibendum Wine Employee Share Option Plan (2007 £153,000) 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 year the Company purchased wine totalling £3,364,182 (2007 £2,735,209) and provided services totalling £483,604 (2007 £nil) from-/to The Argento Wine Company Limited, a 66⅔% subsidiary of the Company Goods are bought and sold on the basis of the price list in force with non-related parties

At 31 March 2008 the outstanding balances payable to The Argento Wine Company Limited were £1,284,760 (2007 £1,044,917) No amounts were written off in the year

34 Parent undertaking

The ultimate parent undertaking is Bibendum Wine Holdings Limited, a company incorporated in England and Wales

35 Ultimate controlling party

The ultimate controlling party is Bibendum Wine Holdings Limited