

BIBENDUM WINE LIMITED

REPORT AND ACCOUNTS

For the year ended

31 MARCH 2009

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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 2009.

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.

As explained in Note 1 to the Financial Statements, the profit and loss account for the year ended 31 March 2008 and the balance sheet as at that date have been restated. This is due to a change in the accounting policy relating to en primeur sales, and the correction of errors in the accounting for other trading items, principally in the area of purchase ordering and stocks. These changes were identified as part of a detailed operational and financial systems review across the group and the Board has implemented the necessary steps to ensure that this is a non-recurring issue.

Group turnover during the year increased by 10% to £137.2m (2008 Restated: £125.0m) with gross profit increasing by 4% to £18.8m (2008 Restated: £18.2m.). The operating profit for the year was £1.2m (2008 Restated: £2.2m) a decrease of 45%.

Profit after taxation and minority interest was £0.1m (2008 Restated: £0.7m). Borrowings and interest charges remained relatively constant at £0.7m.

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 Board reviews this policy periodically.

BIBENDUM WINE LIMITED

DIRECTORS' REPORT *(continued)*

Credit risk

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

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

Charitable donations

During the year the Group provided £4,000 to its Charity Committee, made up of employees, who carried out fundraising activities which generated a total of £7,470 for charity (2008: £1,858).

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:

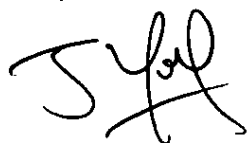
- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information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

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

J J Young
SECRETARY
16 July 2009



BIBENDUM WINE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standard have been followed, subject to any material departure disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nexia Smith & Williamson

Independent auditors' report to the shareholders of Bibendum Wine Limited

We have audited the group and parent company accounts ('the accounts') of Bibendum Wine Limited (Companies House registered number 2218928) for the year ended 31 March 2009 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 34. 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 2009 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

16.7.2009

BIBENDUM WINE LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2009**

	Notes	2009 £'000	2008 Restated £'000
Turnover		138,152	125,020
Less: share of joint venture turnover		(937)	-
Turnover – Group	2	137,215	125,020
Cost of sales		(118,368)	(106,819)
Gross profit		18,847	18,201
Selling and distribution costs		(10,937)	(9,565)
Administrative expenses		(6,818)	(6,456)
Group operating profit	3,4	1,092	2,180
Share of joint venture operating profit		86	-
Operating profit including joint venture		1,178	2,180
Interest receivable and similar income	5	10	23
Interest payable and similar charges	6	(737)	(826)
Profit on ordinary activities before taxation		451	1,377
Tax on profit on ordinary activities	8	(236)	(535)
Profit on ordinary activities after taxation		215	842
Minority interest	25	(142)	(191)
Profit for the year		73	651
Earnings per share	31	3.6p	32.5p
Fully-diluted earnings per share	31	3.6p	31.8p

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 2009**

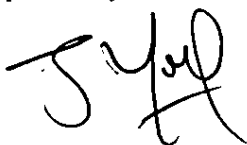
	2009	2008
	£'000	Restated £'000
Profit for the financial year	73	651
Prior year adjustments	(1,821)	-
Total recognised gains and losses recognised since last financial statements	(1,748)	651

BIBENDUM WINE LIMITED
CONSOLIDATED BALANCE SHEET as at 31 MARCH 2009

	Notes	2009 £'000	2008 Restated £'000
Fixed assets			
Intangible assets - goodwill	10	779	822
Intangible assets - brands	11	1,713	1,778
Tangible assets	12	3,433	3,481
Investments	13	67	-
		<hr/> 5,992	<hr/> 6,081
Current assets			
Stock	14	9,750	10,601
Debtors	15	35,725	44,186
Cash at Bank		2,597	566
		<hr/> 48,072	<hr/> 55,353
Creditors: amounts falling due within one year	16	(43,930)	(50,972)
		<hr/>	<hr/>
Net current assets		4,142	4,381
		<hr/>	<hr/>
Total assets less current liabilities		10,134	10,462
Creditors: falling due after more than one year	17	-	(557)
		<hr/>	<hr/>
Net assets		10,134	9,905
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	18	2,010	2,010
Share premium account	19	1,192	1,192
Share option reserve	20	23	23
Revaluation reserve	21	1,530	1,530
Capital contribution	22	21	7
Profit and loss account	23	4,882	4,809
		<hr/>	<hr/>
Shareholders' funds	24	9,658	9,571
		<hr/>	<hr/>
Minority interest	25	476	334
		<hr/>	<hr/>
		10,134	9,905
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 16 July 2009 and were signed on behalf of the Board of Directors.

J J Young, Director



BIBENDUM WINE LIMITED**COMPANY BALANCE SHEET as at 31 MARCH 2009**

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	12	3,431	3,473
Investments	13	4,164	4,164
		<hr/>	<hr/>
		7,595	7,637
Current assets			
Stock	14	9,750	10,601
Debtors	15	33,740	42,145
Cash at Bank		1,133	539
		<hr/>	<hr/>
		44,623	53,285
Creditors: amounts falling due within one year	16	(43,223)	(51,148)
		<hr/>	<hr/>
Net current assets		1,400	2,137
		<hr/>	<hr/>
Total assets less current liabilities		8,995	9,774
Creditors: falling due after more than one year	17	-	(557)
		<hr/>	<hr/>
Net assets		8,995	9,217
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	18	2,010	2,010
Share premium account	19	1,192	1,192
Share option reserve	20	23	23
Revaluation reserve	21	630	630
Capital contribution	22	21	7
Profit and loss account	23	5,119	5,355
		<hr/>	<hr/>
Shareholders' funds	24	8,995	9,217
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 16 July 2009 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 2009**

	Notes	2009 £'000	2008 Restated £'000
Net cash (outflow)/inflow from operating activities	27	1,849	(3,465)
<hr/>			
Returns on investments and servicing of finance			
Interest received		10	23
Interest paid		(737)	(826)
<hr/>			
Net cash (outflow) for returns on investments and servicing of finance		(727)	(803)
<hr/>			
Returns on investment and servicing of finance			
Dividend paid to minority shareholder in subsidiary company		-	(133)
<hr/>			
Taxation			
Net tax paid		(755)	(1,414)
<hr/>			
Capital Expenditure			
Payments to acquire tangible fixed assets		(473)	(378)
Payments to acquire intangible fixed assets		(41)	-
<hr/>			
Acquisitions			
Payments to acquire investments		-	(54)
<hr/>			
Net cash (outflow) from acquisitions		-	(54)
<hr/>			
Equity dividend paid		-	(750)
<hr/>			
Cash (outflows) before financing		(147)	(6,997)
<hr/>			
Financing			
Repayment of bank loan		(143)	(4,233)
Proceeds of new share capital issued		-	65
<hr/>			
Net cash (outflow) from financing activities		(143)	(4,168)
<hr/>			
Decrease in cash	28	(290)	(11,165)
<hr/>			

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009

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.

Prior year adjustments

The restatements of the profit and loss account for the year ended 31 March 2008 and of the balance sheet as at that date are due to changes in the accounting policy in respect of en primeur sales, corrections to the accounting treatment of related stock items and reconciliation of errors in the accounting for other trading items. The overall effect of the prior year adjustments is to decrease opening shareholders' funds by £1,821,000 as shown at note 24.

En primeur accounting policy

Revenue in respect of en primeur sales is recognised upon delivery of the goods to the customer as this represents the fulfilment of the Group's contractual obligations and crystallises a right to consideration. En primeur revenue is invoiced on customer order and such revenues are deferred until delivery of the goods to the customer. The payments made to suppliers for the goods to be delivered are included in prepayments until such time as the revenues are recognised so as to match costs against related revenues, which management consider properly reflects the commercial terms of sale and allows for correct matching of costs against income.

This differs from the policy in place in respect of the year ended 31 March 2008, whereby revenue in respect of en primeur sales was recognised when invoiced and the amount fell due for payment by the customer. The cost of the goods to be delivered was included in cost of sales and creditors, with payments on account from customers being recorded as a reduction in the related creditor.

The impact of this change in accounting policy is to defer the recognition of revenues and profits for a period of approximately two years from the point of order.

The effect of this change on the current year's results is to increase turnover by £2,320,179 and gross profit by £320,534, with related decreases in deferred income and prepayments of £2,320,179 and £1,999,644 respectively.

The effect of this change on the results for the year ended 31 March 2008 is to decrease turnover by £1,186,101 and gross profit by £113,681, with related increases in deferred income and prepayments of £4,741,619 and £4,006,151 respectively.

The effect of this change on shareholders' funds as at 31 March 2007 is to decrease profit and loss reserves by £735,468, with related increases in deferred income and prepayments of £4,741,619 and £4,006,151 respectively.

Impact of review of financial systems and controls

During the financial year under review a significant amount of management time has been invested in assessing the operating and financial systems in operation across the Group. The result of this review has seen an increase in the levels of control exercised over a number of key financial reporting functions, including the accounting entries made in respect of purchase ordering and stocks, and management consider that the Group now operates sufficient control over these areas.

The review revealed errors, the correction of which decreased the pre-tax profits for the year ended 31 March 2008 by £1,753,000.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

1 Accounting policies (continued)

Prior year adjustments (continued)

Corporation tax

The corporation tax effect of the above prior year adjustments is to increase profits for the year ended 31 March 2008 by £560,000 and increase shareholders' funds as at 31 March 2007 by £221,000.

Basis of consolidation

The Group accounts consolidate the accounts of the company and all its subsidiaries made up to 31 March 2009, all of which are accounted for using the equity method.

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 equity method.

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 years prior to the year ended 31 March 1999 was 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.

Brands

Acquired brands are recognised when they are controlled through contractual or other legal rights and the fair value can be reliably measured. Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Brands	-	over 20 years
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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.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value, recognised on an average cost basis.

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

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.

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)**

2	Turnover	2009 £'000	2008 £'000
	United Kingdom	129,335	118,287
	Rest of the World	7,880	6,733
		<hr/>	<hr/>
		137,215	125,020
		<hr/>	<hr/>
3	Auditors' remuneration	2009 £'000	2008 £'000
	Auditors' remuneration for audit of the group and company	44	40
	Other services:		
	Auditing the accounts of subsidiaries	10	13
	Auditing the accounts of joint ventures	4	-
	Other services relating to accountancy assistance	7	5
	Other services relating to taxation	17	23
		<hr/>	<hr/>
4	Operating profit	2009 £'000	2008 £'000
	Operating profit is stated after charging:		
	Depreciation	521	439
	Amortisation	149	147
	Operating leases – other assets	183	305
		<hr/>	<hr/>
5	Interest receivable and similar income	2009 £'000	2008 £'000
	Bank interest receivable	10	23
		<hr/>	<hr/>
6	Interest payable and similar charges	2009 £'000	2008 £'000
	Interest on bank loans and overdraft	737	826
		<hr/>	<hr/>

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)**

7 Information regarding directors and employees	2009	2008
Employee costs during the year amounted to:	£'000	£'000
Wages and salaries	8,260	6,918
Social security costs	911	808
Pension costs	223	206
	<hr/>	<hr/>
	9,394	7,932
	<hr/>	<hr/>

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

	No.	No.
Selling and distribution	151	136
Administration	51	48
	<hr/>	<hr/>
	202	184
	<hr/>	<hr/>

Directors' remuneration

Directors' remuneration was paid as follows:

	£'000	£'000
Aggregate emoluments (excluding pension contributions)	906	791
Company pension contributions to money purchase schemes	70	59
	<hr/>	<hr/>
	£'000	£'000

The remuneration of the highest paid director was as follows:

Aggregate emoluments (excluding pension contributions)	221	201
Company pension contributions to money purchase schemes	20	15
	<hr/>	<hr/>

The highest paid director did not receive any share options in Bibendum Wine Limited during the year. No directors at 31 March 2009 exercised share options in the year.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

8	Tax on profit on ordinary activities	2009 £'000	2008 £'000
	<i>(a) Analysis of charge in the year</i>		
	<i>Current tax</i>		
	UK corporation tax on profits for the year	216	555
	Share of joint venture tax	20	-
	Adjustments in respect of previous years	-	8
	<i>Total current tax</i>	236	563
	<i>Deferred tax</i>		
	Origination and reversal of timing differences	-	(28)
	Tax on profit on ordinary activities	236	535
	<i>(b) Factors affecting the tax charge for the period</i>		
	Profit on ordinary activities before taxation	451	1,377
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	126	413
	Effects of:		
	Expenses not deductible for tax purposes	33	103
	Adjustments in respect of previous years	-	8
	Depreciation in excess of capital allowances	69	2
	Other short term timing differences	(12)	37
	Share of joint venture tax	20	
	Total current tax charge	236	563

At 31 March 2009 a deferred tax asset of £34,000 (2008: £38,000) 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 2009 (continued)**

9	Dividend	2009 £'000	2008 £'000
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Dividend paid £nil per share (2008: 33p per share)	-	750
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Dividends have been waived in respect of shares held by the Bibendum Employee Benefit Trust.

10	Intangible fixed assets - goodwill	Goodwill £'000
----	------------------------------------	-------------------

Group**Cost**

1 April 2008 and 31 March 2009	865
--------------------------------	-----

Amortisation

At 1 April 2008	43
-----------------	----

Charge for the year	43
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At 31 March 2009	86
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Net book value

31 March 2009	779
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31 March 2008	822
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BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)**

11	Intangible fixed assets – brands	Brands £'000
	Group	
	Cost	
	1 April 2008	1,882
	Acquisitions	41
		<hr/>
	31 March 2009	1,923
	Amortisation	
	At 1 April 2008	104
	Charge for the year	106
		<hr/>
	At 31 March 2009	210
		<hr/>
	Net book value	
	31 March 2009	1,713
		<hr/>
	31 March 2008	1,778
		<hr/>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

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 2008	5,698	2,230	1,463	389	10	1,606
Additions	473	-	75	133	-	265
At 31 March 2009	6,171	2,230	1,538	522	10	1,871
Depreciation						
At 1 April 2008	2,217	-	681	298	3	1,235
Charge for the year	521	-	206	72	3	240
At 31 March 2009	2,738	-	887	370	6	1,475
Net book value						
At 31 March 2009	3,433	2,230	651	152	4	396
At 31 March 2008	3,481	2,230	782	91	7	371

The cost of the freehold land and buildings to the Group as at 31 March 2009 was £700,000 (2008: £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 2009 (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 2008	5,684	2,230	1,463	389	1,602
Additions	474	-	75	133	266
Revaluation					
At 31 March 2009	6,158	2,230	1,538	522	1,868
Depreciation					
At 1 April 2008	2,211	-	681	298	1,232
Charge for the year	516	-	206	72	238
At 31 March 2009	2,727	-	887	370	1,470
Net book value					
At 31 March 2009	3,431	2,230	651	152	398
At 31 March 2008	3,473	2,230	782	91	370

The cost of the freehold land and buildings to the company as at 31 March 2009 was £1,600,000 (2008: £700,000).

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

13 Fixed asset investments – joint ventures	£'000
Group	
Cost or valuation	
1 April 2008	-
Group share of retained profits for year	67
Net book value	
At 31 March 2009	67

The Group's investment in joint ventures represents a 50% shareholding in SAAM Wine Company Limited, a company incorporated in England & Wales. The joint venture company commenced trading on 1 April 2008 and its principal activity is the importation and distribution of South African wine. The financial statements for the year ended 31 March 2009 report a retained profit of £133,747 and net assets of £134,747.

Fixed asset investments – shares in subsidiaries	£'000
Company	
Cost	
1 April 2008 and 31 March 2009	4,862
Provision for impairment in value	
1 April 2008 and 31 March 2009	(698)
Net book value	
1 April 2008 and 31 March 2009	4,164

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
Bibendum Europe LLP	England	70%	Wine Distributor
The Argento Wine Company Limited*	England	66⅔%	Wine Distributor
The Argento Wine Company Argentina S.A.**	Argentina	66⅔%	Wine Distributor

* 33⅓% is held by Mixbury Trading Company Limited

** Held by The Argento Wine Company Limited

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

13 Fixed asset investments – shares in subsidiaries (continued)

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.

14 Stock	Group and Company	
	2009	2008
	£'000	£'000
Goods held for resale	9,750	10,601

15 Debtors	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Trade debtors	26,039	32,301	23,726	30,476
Other debtors	1,625	240	1,359	14
Corporation tax recoverable	888	333	958	420
Deferred tax (see note 8)	68	68	46	46
Amounts due from the Employee Benefit Trust (due in over one year)	153	153	153	153
Amounts due from parent undertaking	3,605	3,580	4,169	3,580
Prepayments and accrued income	3,347	7,511	3,329	7,456
	<hr/>	<hr/>	<hr/>	<hr/>
	35,725	44,186	33,740	42,145
	<hr/>	<hr/>	<hr/>	<hr/>

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)****16 Creditors: amounts falling due within one year**

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Current portion of bank loan (see note 17)	557	143	557	143
Bank overdraft	14,849	12,528	14,849	12,528
Trade creditors	17,507	25,246	15,945	25,169
Amounts owed to group undertaking	-	-	1,098	1,285
Other creditors including taxation and social security	2,397	3,119	2,309	2,578
Accruals and deferred income	8,620	9,936	8,465	9,445
	<hr/>	<hr/>	<hr/>	<hr/>
	43,930	50,972	43,223	51,148
	<hr/>	<hr/>	<hr/>	<hr/>

The overdraft and bank loan are secured by a fixed and floating charge over all the current and future assets of Bibendum Wine Limited, as well as over the freehold land and buildings of the group. Interest is charged at a rate related to the Royal Bank of Scotland base rate.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

17 Creditors: amounts falling due after more than one year	Group and Company	
	2009 £'000	2008 £'000
Bank loans due after more than one year	-	557
The bank loans are repayable as follows:		
due in less than one year (note 16)	557	143
due between one and two years	-	143
due between two and five years	-	315
due in more than five years	-	99
due after more than one year	-	557

The loan brought forward at 1 April 2008 is repayable over 6 years and incurs an interest rate related to the Royal Bank of Scotland base rate. As a result of a breach in the interest cover financial covenant attached to this loan, as at 31 March 2009 the whole of the outstanding balance has been classified as due within one year in the financial statements.

Subsequent to the year end the bank has provided a waiver in respect of this covenant and early settlement of the outstanding balance has not been requested. The terms of the loan remain unchanged and the total amount of £177,000 is due for repayment within one year and the remaining balance of £380,000 is due for repayment after more than one year from 31 March 2009.

18 Share capital	2009 £'000	
	2008 £'000	
Authorised		
2,438,700 (2008: 2,438,700) ordinary shares of £1 each	2,439	2,439
Allotted, called up and fully paid	£'000	£'000
2,009,938 (2008: 2,009,938) ordinary shares of £1 each	2,010	2,010
19 Share premium account	2009 £'000	2008 £'000
At 1 April 2008 and 31 March 2009	1,192	1,192

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

20	Share option reserve	Group	Company
		2009	2009
		£'000	£'000
	At 1 April 2008 and 31 March 2009	23	23
		<hr/>	<hr/>
21	Revaluation reserve	Group	Company
		£'000	£'000
	At 1 April 2008 and 31 March 2009	1,530	630
		<hr/>	<hr/>
22	Capital contribution	Group	Company
		2009	2009
		£'000	£'000
	At 1 April 2008	7	7
	Movement during the year	14	14
		<hr/>	<hr/>
	At 31 March 2009	21	21
		<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 (2008: £14,000) and has been transferred to the capital contribution reserve in the financial statements of the company.

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)**

23 Profit and loss account	Group £'000	Company £'000
At 1 April 2007, as previously reported	5,422	6,039
Prior year adjustment	(514)	(514)
	<hr/>	<hr/>
At 1 April 2007, restated	4,908	5,525
Profit for financial year, as previously reported	1,958	1,887
Prior year adjustment	(1,307)	(1,307)
Dividend paid	(750)	(750)
	<hr/>	<hr/>
At 1 April 2008, restated	4,809	5,355
Profit/(loss) for the financial year	73	(236)
	<hr/>	<hr/>
At 31 March 2009	4,882	5,119
	<hr/>	<hr/>

Cumulative goodwill written off to group reserves amounts to £371,000 (2008: £371,000).

BIBENDUM WINE LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)****24 Reconciliation of movements in shareholders' funds**

	Group	
	2009	2008
	£'000	Restated £'000
Profit for the year	73	651
Dividend	-	(750)
Capital contribution movement in the year	14	14
Share premium movement in the year	-	46
Share capital issued	-	19
	<hr/>	<hr/>
Net addition/(deduction) to shareholders' funds	87	(20)
Opening shareholders' funds, as previously reported	9,571	10,105
Prior year adjustment	-	(514)
	<hr/>	<hr/>
Closing shareholders' funds	9,658	9,571
	<hr/>	<hr/>

	Company	
	2009	2008
	£'000	Restated £'000
(Loss)/profit for the financial year	(236)	580
Dividend	-	(750)
Capital contribution movement in the year	14	14
Share premium movement in the year	-	46
Share capital issued	-	19
	<hr/>	<hr/>
Net deduction to shareholders' funds	(222)	(91)
Opening shareholders' funds, as previously reported	9,217	9,822
Prior year adjustment	-	(514)
	<hr/>	<hr/>
Closing shareholders' funds	8,995	9,217
	<hr/>	<hr/>

Further details of the prior year adjustments are disclosed at note 1 to the financial statements.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

25 Minority interest

	Group	
	2009	2008
	£'000	£'000
At 1 April	334	276
Share of profit for the year	142	191
Dividend paid	-	(133)
	<hr/>	<hr/>
At 31 March	476	334
	<hr/>	<hr/>

26 Financial commitments

At 31 March 2009, the company had entered into forward foreign exchange purchase contracts with a value amounting to £19,638,325 (2008: £4,065,000).

27 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2009	2008
	£'000	£'000
Operating profit	1,092	2,180
Depreciation charge	521	439
Amortisation charge	149	147
Share option charge (see note 4)	14	14
Decrease/(Increase) in stock	851	(3,226)
Decrease/(Increase) in debtors	8,999	(21,141)
(Decrease)/Increase in creditors	(9,777)	18,122
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	1,849	(3,465)
	<hr/>	<hr/>
28 Reconciliation of net cash flow to movement in net debt	2009	2008
	£'000	£'000
(Decrease) in cash in the period	(290)	(11,165)
Cash outflow from loans	143	4,233
	<hr/>	<hr/>
Change in net debt	(147)	(6,932)
Net debt at 1 April	(12,662)	(5,730)
	<hr/>	<hr/>
Net debt at 31 March	(12,809)	(12,662)
	<hr/>	<hr/>

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

29 Analysis of changes in net debt during the year

	At 1 April 2008 £'000	Cash flows £'000	Other changes £'000	At 31 March 2009 £'000
Cash	566	2,031	-	2,597
Bank overdraft	(12,528)	(2,321)	-	(14,849)
	<u>(11,962)</u>	<u>(290)</u>	<u>-</u>	<u>(12,252)</u>
Debt due within one year	(143)	(414)	-	(557)
Debt due after one year	(557)	557	-	-
	<u>(700)</u>	<u>143</u>	<u>-</u>	<u>(557)</u>
	<u>(12,662)</u>	<u>(147)</u>	<u>-</u>	<u>(12,809)</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:

	2009 £'000	2008 £'000
Leases expiring:		
Within one year	121	216
Between two and five years	-	72
	<u>121</u>	<u>288</u>

31 Earnings per share

The basic earnings per share is based upon earnings of £73,000 (2008: £651,000) and the weighted average number of shares ranking for dividend during the year of 2,009,938 (2008: 2,004,313).

The fully diluted weighted average number of shares of 2,009,938 (2008: 2,045,146) has been calculated by taking the weighted average number of shares ranking for dividend and adjusted for potential equity shares.

BIBENDUM WINE LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2009 (continued)

32 Share based payments – Equity based share option scheme

The parent 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 parent company's shares at the date of grant.

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

	May 2007	Sept 2008
Weighted average share price	£5.50	£5.50
Weighted average exercise price	£6.52	£21.10
Expected volatility	39%	28%
Expected life	10 years	8 years
Risk free rate	4.53%	4.47%
Expected dividend yield	6%	0%

33 Related party transactions - company

An amount of £153,000 (2008: £153,000) in respect of shares sold by the Bibendum Wine Employee Share Option Plan is due from the Employee Benefit Trust. Of this amount £71,750 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 £2,660,450 (2008: £3,364,182) and provided services totalling £12,053 (2008: £483,604) from/to The Argento Wine Company Limited, a 66%% subsidiary of the Company. Goods are bought and sold on the basis of the price list in force with non-related parties.

At 31 March 2009 the outstanding balance payable to The Argento Wine Company Limited was £532,890 (2008: £1,284,760). No amounts were written off in the year.

During the year the Company purchased wine totalling £1,867,435 (2008: nil) from SAAM Wine Company Limited, a joint venture vehicle of which the Company holds a 50% interest. Goods are bought and sold on the basis of the price list in force with non-related parties.

At 31 March 2009 the outstanding balance payable to SAAM Wine Company Limited was £1,451,016 (2008: nil). 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. In the opinion of the directors, Bibendum Wine Holdings Limited has no ultimate controlling party.