

Financial Statements Bibendum Wine Holdings Limited

For the year ended 31 March 2013



Registered number: 6155211

Company Information

Directors

P I Espenhahn
M P Saunders
R S Cochrane (resigned 7 January 2013)
S C Farr
R M Gabb
J S P Kowszun
H M C Morley
A M Vinton
A G Wahab (resigned 30 November 2012)
J Caddy (appointed 30 November 2012)

Registered number

6155211

Registered office

113 Regents Park Road
London
NW1 8UR

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Bankers

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

Contents

	Page
Directors' report	1 - 4
Independent auditor's report	5 - 6
Consolidated profit and loss account	7
Consolidated statement of total recognised gains and losses	8
Note of historical cost profits and losses	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated cash flow statement	11
Notes to the financial statements	12 - 33

Directors' Report

For the year ended 31 March 2013

The directors present their report and the financial statements for the year ended 31 March 2013

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Principal activity

The principal activity of the Group is the importation and distribution of wine and spirits. The principal activity of the company is that of a holding company.

Business review

The Group strives to grow by delivering an excellent experience for our customers through our wines, our service levels, the consumer and market insight we provide and our "Added Value" approach to business. The key drivers underpinning this focus are

- Improving productivity throughout the business
- Adding value to our customers
- Simplification of operations, wherever possible
- Enhancing capability through investment in people, development and training

In order to deliver against these aspirations in what has been a challenging year, the success of the business is measured against achievement of objectives in the following areas

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

Directors' Report

For the year ended 31 March 2013

Market conditions were generally difficult during the year ended 31 March 2013. The London Games adversely affected demand throughout the country, particularly in London. They also caused significant distraction throughout our business and many customers. The London Games were an operational success for the Group. However, demand at Games Venues was extremely disappointing and, having had to make special warehousing and delivery arrangements, overall, we made a loss on our sales to such venues. We have also suffered losses on bespoke stock that remained unsold at the end of the Games.

During the year the Group disposed of its shareholdings in both The Argento Wine Company Limited and Saam Wine Company Limited. Both of these ventures have been a success for the Group, with the combined disposals generating a profit of just over £1.7m. We are delighted that in both cases we retain an on-going trading relationship with the new owners that we expect to continue to be mutually beneficial.

Following these disposals, Group turnover reduced by 2% to £180.7m (2012: £185.0m). Excluding the impact of discontinued operations, turnover increased marginally to £177.2m (2012: £176.5m). Gross profit for the year reduced to £25.1m (2012: £26.7m) representing a margin of 13.9% (2012: 14.4%). The reduction in gross margin (as a percentage of sales) is not unexpected in a difficult market and is still ahead of the 13.6% achieved in 2011. The reduction is driven by stock provisions and pricing issues relating to a specific trade channel rather than as a result of either mix or cost pressure.

The Group moved its warehousing and distribution partner in late 2011/early 2012, with the full financial impact felt in the year to 31 March 2013. Distribution costs in the year have increased by £2.6m, or 19% to £16.5m (2012: £13.9m) and whilst this investment in future effectiveness is essential, it has had a material impact on overall financial performance. Administrative expenses have once again been well controlled, showing a 4.8%, or £0.5m reduction to £9.2m (2012: £9.7m). The impact of reduced gross margin coupled with the increase in distribution costs, offset by administrative efficiency, is for the Group to declare an operating loss of £0.7m for the year (2012: £3.1m profit).

Strong control of working capital coupled with the net receipts from disposals more than offset below expectation operating performance and resulted in net debt for the Group at the year-end substantially reducing by 34% or £4.4m to £8.5m (2012: £12.9m). The net interest charge remained unchanged at £0.4m. Interest rates remain low and we continue to benefit from strong and stable banking arrangements.

Profit before tax for the year was £0.6m, down from £2.7m last year.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £690,000 (2012: £1,943,000).

The company paid an interim dividend of 40p per issued share in October 2012.

Directors' Report

For the year ended 31 March 2013

Directors

The directors who served during the year were

P I Espenhahn
M P Saunders
R S Cochrane (resigned 7 January 2013)
S C Farr
R M Gabb
J S P Kowszun
H M C Morley
A M Vinton
A G Wahab (resigned 30 November 2012)
J Caddy (appointed 30 November 2012)

Principal risks and uncertainties

Financial risk management objectives and policies

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

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

Foreign exchange risk

The group's major transactional exposures are to Euro, Australian dollar and New Zealand dollar outflows from the UK.

The group's exposure to transactional (or non structural) foreign exchange risks i.e. those arising from transactions that are not denominated in sterling is managed where possible by matching revenues with costs in the same currencies.

The group usually hedges its foreign exchange exposure, mainly in respect of the Euro, Australian dollar and the New Zealand dollar. This hedging takes the form of financial contracts to purchase set amounts of currency at a range of prices. The quantum of current contracts in place is disclosed in note 30.

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

Interest rate risk

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

Credit risk

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

Directors' Report

For the year ended 31 March 2013

Land and buildings

At 31 March 2013, the directors engaged Vail Williams to complete a full valuation of the group's freehold property. The valuation indicated that the open market value of the property was £3,140,000. The directors believe that an element of this valuation relates to Property Improvements (accounted for at cost, with net book value at year end of £315,000 in Bibendum Wine Limited), whilst the balance of the valuation is reflected in Freehold Property.

Provision of information to auditor

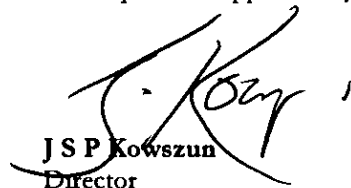
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

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

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 20 June 2013 and signed on its behalf


J S P Kowszun
Director

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

We have audited the financial statements of Bibendum Wine Holdings Limited for the year ended 31 March 2013, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement, the group Statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink, appearing to read "Mark Henshaw".

Mark Henshaw (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

London (Euston)

20 June 2013

Consolidated Profit and Loss Account

For the year ended 31 March 2013

	Note	2013 £000	2012 £000
Turnover: group and share of joint ventures	1,2		
Continuing operations		177,167	176,454
Discontinued operations		3,553	8,496
Joint ventures' discontinued operations		69	240
		<u>180,789</u>	<u>185,190</u>
Less share of joint ventures' turnover		<u>(69)</u>	<u>(240)</u>
Group turnover		<u>180,720</u>	<u>184,950</u>
Cost of sales	32	<u>(155,655)</u>	<u>(158,225)</u>
Gross profit		<u>25,065</u>	<u>26,725</u>
Distribution costs	32	<u>(16,500)</u>	<u>(13,873)</u>
Administrative expenses	32	<u>(9,246)</u>	<u>(9,714)</u>
Operating (loss)/profit	3		
Continuing operations		(339)	3,667
Discontinued operations		(342)	(529)
		<u>(681)</u>	<u>3,138</u>
Share of operating profit in joint ventures		<u>2</u>	<u>9</u>
Total operating (loss)/profit		<u>(679)</u>	<u>3,147</u>
Profit on disposal of investments		1,728	-
Interest receivable and similar income	7	3	12
Interest payable and similar charges	8	<u>(431)</u>	<u>(424)</u>
Profit on ordinary activities before taxation		<u>621</u>	<u>2,735</u>
Tax on profit on ordinary activities	9	<u>39</u>	<u>(949)</u>
Profit on ordinary activities after taxation		<u>660</u>	<u>1,786</u>
Minority interests		<u>30</u>	<u>157</u>
Profit for the financial year	20	<u><u>690</u></u>	<u><u>1,943</u></u>
Basic earnings per share	10	40.9p	115 1p
Diluted earnings per share	10	34 4p	96 1p

The notes on pages 12 to 33 form part of these financial statements

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 March 2013

	Note	2013 £000	2012 £000
Profit for the financial year		690	1,943
Unrealised surplus on revaluation of tangible fixed assets		<u>395</u>	<u>-</u>
Total recognised gains and losses relating to the year		<u>1,085</u>	<u>1,943</u>

Note of Historical Cost Profits and Losses

For the year ended 31 March 2013

	2013 £000	2012 £000
Reported profit on ordinary activities before taxation	<u>621</u>	<u>2,735</u>
Historical cost profit on ordinary activities before taxation	<u>621</u>	<u>2,735</u>
Historical profit for the year after taxation	<u>690</u>	<u>1,943</u>

The notes on pages 12 to 33 form part of these financial statements

Consolidated Balance Sheet

As at 31 March 2013

	Note	£000	2013 £000	2012 £000
Fixed assets				
Intangible assets	11		8,168	10,798
Tangible assets	12		4,321	3,766
Investments	13		1	1
Investments in joint ventures				
-Share of gross assets		-		83
-Share of gross liabilities		-		(23)
Share of net assets	13		-	60
			<u>12,490</u>	<u>14,625</u>
Current assets				
Stocks	15	14,419		16,185
Debtors	16	34,463		39,926
Cash at bank and in hand		5,827		1,986
		<u>54,709</u>		<u>58,097</u>
Creditors: amounts falling due within one year	17	(46,508)		(52,035)
Net current assets			<u>8,201</u>	<u>6,062</u>
Net assets			<u>20,691</u>	<u>20,687</u>
Capital and reserves				
Called up share capital	19		1,699	1,688
Share premium account	20		16,121	16,121
Revaluation reserve	20		595	200
Other reserves	20		-	49
Profit and loss account	20		2,317	2,252
Shareholders' funds	21		<u>20,732</u>	<u>20,310</u>
Minority interests	23		<u>(41)</u>	<u>377</u>
			<u>20,691</u>	<u>20,687</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 June 2013


J S P Kowszon
 Director

The notes on pages 12 to 33 form part of these financial statements

Company Balance Sheet

As at 31 March 2013

	Note	£000	2013 £000	2012 £000
Fixed assets				
Investments	13		21,505	21,505
Current assets				
Debtors	16	-	9	
Cash at bank		3	7	
		<u>3</u>	<u>16</u>	
Creditors: amounts falling due within one year	17	<u>(1,794)</u>	<u>(3,607)</u>	
Net current liabilities			<u>(1,791)</u>	<u>(3,591)</u>
Net assets			<u>19,714</u>	<u>17,914</u>
Capital and Reserves				
Called up share capital	19		1,699	1,688
Share premium account	20		16,121	16,121
Other reserves	20		-	49
Profit and loss account	20		1,894	56
Shareholders' funds	21		<u>19,714</u>	<u>17,914</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 June 2013


J S P Kowszun
 Director

The notes on pages 12 to 33 form part of these financial statements

Consolidated Cash Flow Statement

For the year ended 31 March 2013

	Note	2013 £000	2012 £000
Net cash flow from operating activities	25	1,224	348
Returns on investments and servicing of finance	26	(365)	(412)
Taxation	26	(542)	(1,265)
Capital expenditure and financial investment	26	(889)	(974)
Acquisitions and disposals	26	5,643	-
Equity dividends paid		(674)	(506)
Cash inflow/(outflow) before financing		4,397	(2,809)
Financing	26	(40)	(173)
Increase/(Decrease) in cash in the year		4,357	(2,982)

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

For the year ended 31 March 2013

	2013 £000	2012 £000
Increase/(Decrease) in cash in the year	4,357	(2,982)
Cash outflow from decrease in debt and lease financing	51	173
Movement in net debt in the year	4,408	(2,809)
Net debt at 1 April 2012	(12,907)	(10,098)
Net debt at 31 March 2013	(8,499)	(12,907)

The notes on pages 12 to 33 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

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

The results of subsidiaries acquired during the year are included from the effective date of acquisition

The results of subsidiaries sold are included up to the effective date of disposal

1.3 Turnover

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

Trade sales

Revenue is recognised in respect of trade sales once the sales have been made and the goods have been despatched

Agency sales

Where the group acts as an agent, only commissions receivable for services rendered are recognised as revenue. Revenue is recognised once sales have been made and the goods despatched. Any third party costs incurred on behalf of the principal that are rechargeable under contractual arrangements are not included in revenue

En primeur sales

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

Notes to the Financial Statements

For the year ended 31 March 2013

1. Accounting Policies (continued)

1.4 Intangible fixed assets and amortisation

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

The company has taken advantage of the transitional provision of FRS 10 "Goodwill and intangible assets". Goodwill relating to acquisitions in years prior to the year ended 31 March 1999 was written off directly to the profit and loss reserves. Such goodwill has been eliminated as a matter of accounting policy and will be charged in the profit and loss account on subsequent disposal of the business to which it relates.

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

Amortisation is provided at the following rates:

Goodwill	-	20 years
Brands	-	20 years

1.5 Tangible fixed assets and depreciation

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

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

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

1.6 Revaluation of tangible fixed assets

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

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

Notes to the Financial Statements

For the year ended 31 March 2013

1. Accounting Policies (continued)

1.7 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment
- (ii) **Joint venture undertakings**
Investments in joint ventures are stated at the company's share of net assets. The company's share of the profits or losses of the joint ventures is included in the Profit and loss account using the equity accounting basis.
- (iii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment

1.8 Operating leases

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

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

1.9 Stocks

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

1.10 Deferred taxation

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

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

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

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

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

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

For the year ended 31 March 2013

1. Accounting Policies (continued)

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.12 Pensions

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

1.13 Employee benefit trust

The company's accounts include the Bibendum Employee Benefit Trust. The directors consider that the company has control of the shares held by the trust and bears their benefits and risks. Amounts transferred which are awaiting investment in the company's shares are included in debtors. Administration expenses are charged to the profit and loss account as they accrue.

2. Turnover

A geographical analysis of turnover is as follows

	2013 £000	2012 £000
United Kingdom	175,276	175,246
Rest of European Union	3,164	6,672
Rest of world	2,280	3,032
	<u>180,720</u>	<u>184,950</u>

Turnover from discontinued operations arose as follows

United Kingdom £18,000 (2012 - £28,000)
 Rest of European Union £1,927,000 (2012 - £5,437,000)
 Rest of world £1,608,000 (2012 - £3,032,000)

Notes to the Financial Statements

For the year ended 31 March 2013

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging

	2013 £000	2012 £000
Amortisation - intangible fixed assets	625	726
Depreciation of tangible fixed assets		
- owned by the group	711	621
Operating lease rentals		
- plant and machinery	194	191
- other operating leases	97	59
Difference on foreign exchange	(813)	(574)
	<u> </u>	<u> </u>

4. Auditors' remuneration

	2013 £000	2012 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5	5
Fees payable to the company's auditor and its associates in respect of		
The auditing of accounts of associates of the company pursuant to legislation	-	5
Other services supplied pursuant to such legislation	40	47
Other services relating to taxation	10	50
	<u> </u>	<u> </u>

The fees for other services of £40,000 (2012 - £47,000) represent audit fees for the company's subsidiaries

Notes to the Financial Statements

For the year ended 31 March 2013

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2013 £000	2012 £000
Wages and salaries	11,051	11,274
Social security costs	1,200	1,304
Other pension costs	329	322
	<u>12,580</u>	<u>12,900</u>

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

	2013 No.	2012 No
Selling and distribution staff	183	186
Administrative staff	69	60
	<u>252</u>	<u>246</u>

6. Directors' remuneration

	2013 £000	2012 £000
Emoluments	<u>799</u>	<u>1,206</u>
Company pension contributions to defined contribution pension schemes	<u>66</u>	<u>80</u>

Included within emoluments is an amount of £34,000 payable in compensation (2012 - £30,000)

During the year retirement benefits were accruing to 3 directors (2012 - 4) in respect of defined contribution pension schemes

The highest paid director received remuneration of £270,000 (2012 - £393,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £26,000 (2012 - £25,000)

Notes to the Financial Statements

For the year ended 31 March 2013

7. Interest receivable

	2013 £000	2012 £000
Interest receivable from group companies	-	7
Other interest receivable	3	5
	<u>3</u>	<u>12</u>

8. Interest payable

	2013 £000	2012 £000
On bank loans and overdrafts	431	417
On loans from group undertakings	-	7
	<u>431</u>	<u>424</u>

9. Taxation

	2013 £000	2012 £000
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	1,003
Adjustments in respect of prior periods	(2)	-
	<u>(2)</u>	<u>1,003</u>
Share of joint ventures' current tax	-	2
Total current tax	<u>(2)</u>	<u>1,005</u>
Deferred tax		
Origination and reversal of timing differences	(40)	(56)
Adjustments in respect of prior periods	3	-
Total deferred tax (see note 18)	<u>(37)</u>	<u>(56)</u>
Tax on profit on ordinary activities	<u>(39)</u>	<u>949</u>

Notes to the Financial Statements

For the year ended 31 March 2013

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	621	2,735
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	149	711
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	139	161
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	58	67
Capital allowances for year in excess of depreciation	46	1
Utilisation of tax losses	24	42
Adjustments to tax charge in respect of prior periods	(2)	-
Short term timing difference leading to an increase in taxation	-	23
Other timing differences leading to an increase (decrease) in taxation	(1)	-
Substantial Shareholding Exemption	(415)	-
Current tax (credit)/charge for the year (see note above)	(2)	1,005

Factors that may affect future tax charges

There were no factors that may affect future tax charges

Notes to the Financial Statements

For the year ended 31 March 2013

10. Earnings per share

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

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

Basic earnings per share for 2013 is 40.9 pence (2012 - 115.1 pence) and diluted earnings per share for 2013 is 34.4 pence (2012 - 96.1 pence). The calculation of basic and diluted earnings per ordinary share is based upon the following data

	2013 £000	2012 £000
Earnings for the purposes of basic and diluted earnings per share	<u>690</u>	<u>1,943</u>

	2013 No.	2012 No.
Basic weighted average number of shares	<u>1,688,014</u>	<u>1,688,014</u>

	2013 No.	2012 No.
Weighted average number of shares for the purposes of diluted earnings per share	<u>2,008,340</u>	<u>2,021,055</u>

	2013 No.	2012 No.
--	-------------	-------------

Reconciliation of basic weighted average number of shares to weighted average number of shares for the purposes of diluted earnings per share

Basic weighted average number of shares	1,688,014	1,688,014
Share options in issue for the whole year (see note 19)	266,250	226,250
Weighted average number of share options issued in year	-	110
Weighted average number of exit options cancelled in year	-	106,681
Weighted average number of ordinary B shares issued in year	36,051	-
Weighted average number of ordinary C shares issued in year	18,025	-
Weighted average number of shares for the purposes of diluted earnings per share	<u>2,008,340</u>	<u>2,021,055</u>

Notes to the Financial Statements

For the year ended 31 March 2013

11. Intangible fixed assets

Group	Brands £000	Goodwill £000	Total £000
Cost			
At 1 April 2012	2,103	12,399	14,502
Disposals	(2,103)	(872)	(2,975)
At 31 March 2013	-	11,527	11,527
Amortisation			
At 1 April 2012	707	2,997	3,704
Charge for the year	48	577	625
On disposals	(755)	(215)	(970)
At 31 March 2013	-	3,359	3,359
Net book value			
At 31 March 2013	-	8,168	8,168
At 31 March 2012	1,396	9,402	10,798

Notes to the Financial Statements

For the year ended 31 March 2013

12. Tangible fixed assets

Group	Freehold property £000	Property improvements £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation					
At 1 April 2012	2,430	1,573	155	2,829	6,987
Additions	-	188	-	701	889
Disposals	-	-	-	(48)	(48)
Revaluation surplus/(deficit)	395	-	-	-	395
At 31 March 2013	2,825	1,761	155	3,482	8,223
Depreciation					
At 1 April 2012	-	1,375	17	1,829	3,221
Charge for the year	-	72	23	616	711
On disposals	-	-	-	(30)	(30)
At 31 March 2013	-	1,447	40	2,415	3,902
Net book value					
At 31 March 2013	2,825	314	115	1,067	4,321
At 31 March 2012	2,430	198	138	1,000	3,766

Included in Freehold Property is freehold land and buildings at valuation of £2,825,000 (2012 - £2,430,000), (cost £700,000 (2012 - £700,000)) which is not depreciated

Cost or valuation at 31 March 2013 is as follows

Group	Land and buildings £000
At cost	-
At valuation:	
Existing use, market value at 31 March 2013	2,825
	2,825

Notes to the Financial Statements

For the year ended 31 March 2013

12. Tangible fixed assets (continued)

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

	2013 £000	2012 £000
Group		
Cost	700	700
Accumulated depreciation	-	-
	<hr/>	<hr/>
Net book value	<u>700</u>	<u>700</u>

13. Fixed asset investments

	Unlisted investments £000	Investment in joint ventures £000	Total £000
Group			
Cost or valuation			
At 1 April 2012	1	60	61
Disposals	-	(62)	(62)
Share of profit	-	2	2
	<hr/>	<hr/>	<hr/>
At 31 March 2013	<u>1</u>	<u>-</u>	<u>1</u>
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2013	<u>1</u>	<u>-</u>	<u>1</u>
	<hr/>	<hr/>	<hr/>
At 31 March 2012	<u>1</u>	<u>60</u>	<u>61</u>
	<hr/>	<hr/>	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Bibendum Wine Limited	Ordinary	100%
Mixbury Trading Company Limited***	Ordinary	100%
The Yorkshire Fine Wine Company Limited***	Ordinary	100%
H Youdell and Company Limited***	Ordinary	100%
European Wine Partnership LLP ***	Ordinary	70%
The Wondering Wine Company Limited	Ordinary	90%

*** Held by Bibendum Wine Limited

Notes to the Financial Statements

For the year ended 31 March 2013

13. Fixed asset investments (continued)

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2012	21,505
Additions	4,341
Disposals	(4,341)
At 31 March 2013	21,505
Net book value	
At 31 March 2013	21,505
At 31 March 2012	21,505

Details of the principal subsidiaries can be found under note number 14

14. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Bibendum Wine Limited	England	100%	Wine distribution
The Wondering Wine Company Limited	England	90%	Selling of wine at events

15. Stocks

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Finished goods and goods for resale	14,419	16,185	-	-

Notes to the Financial Statements

For the year ended 31 March 2013

16. Debtors

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade debtors	28,933	32,008	-	-
Amounts owed by group undertakings	-	-	-	9
Other debtors	396	1,190	-	-
Prepayments and accrued income	5,017	6,597	-	-
Deferred tax asset (see note 18)	117	131	-	-
	34,463	39,926	-	9

Included within other debtors is a balance of £153,000 (2012 - £153,000) due from the Employee Benefit Trust in more than one year

**17. Creditors:
Amounts falling due within one year**

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Bank loans and overdrafts	14,326	14,893	-	-
Trade creditors	21,815	20,643	-	-
Amounts owed to group undertakings	-	-	1,732	3,608
Corporation tax	-	462	-	-
Social security and other taxes	2,104	3,062	-	-
Other creditors	222	394	-	(1)
Accruals and deferred income	8,041	12,581	62	-
	46,508	52,035	1,794	3,607

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

18. Deferred taxation

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
At beginning of year	131	75	-	-
Released during the year	37	56	-	-
Disposals	(51)	-	-	-
	117	131	-	-

Notes to the Financial Statements

For the year ended 31 March 2013

18. Deferred taxation (continued)

The deferred taxation balance is made up as follows

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Accelerated capital allowances	107	71	-	-
Tax losses brought forward	-	39	-	-
Other timing differences	10	21	-	-
	117	131	-	-

19. Share capital

	2013	2012
	£000	£000
Allotted, called up and fully paid		
1,688,014 ordinary A shares of £1 each	1,688	1,688
72,500 ordinary B shares of £0.10 each	7	-
36,250 ordinary C shares of £0.10 each	4	-
	1,699	1,688

72,500 ordinary B shares and 36,250 ordinary C shares were issued at par in the year, with a nominal value of £7,250 and £3,625 respectively

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

Date first exercisable	Date on which the exercise period ends	Exercise price per ordinary share	Number of ordinary shares
27 May 2006	27 May 2013	£3.39	80,000
31 August 2007	31 August 2014	£3.50	21,250
14 July 2009	14 July 2016	£5.50	40,000
13 December 2009	13 December 2016	£7.00	85,000
30 March 2012	30 March 2022	£7.00	40,000

Notes to the Financial Statements

For the year ended 31 March 2013

20. Reserves

Group	Share premium account £000	Revaluation reserve £000	Other reserves £000	Profit and loss account £000
At 1 April 2012	16,121	200	49	2,252
Profit for the year	-	-	-	690
Dividends Equity capital	-	-	-	(674)
Surplus on revaluation of freehold property	-	395	-	-
Transfer between reserves	-	-	(49)	49
	<u>16,121</u>	<u>595</u>	<u>-</u>	<u>2,317</u>
At 31 March 2013				

Company	Share premium account £000	Other reserves £000	Profit and loss account £000
At 1 April 2012	16,121	49	56
Profit for the year	-	-	2,463
Dividends Equity capital	-	-	(674)
Transfer between reserves	-	(49)	49
	<u>16,121</u>	<u>-</u>	<u>1,894</u>
At 31 March 2013			

Notes to the Financial Statements

For the year ended 31 March 2013

21. Reconciliation of movement in shareholders' funds

	2013	2012
Group	£000	£000
Opening shareholders' funds	20,310	18,873
Profit for the year	690	1,943
Dividends (Note 22)	(674)	(506)
Shares issued during the year	11	-
Other recognised gains and losses during the year	395	-
	<u>20,732</u>	<u>20,310</u>
Closing shareholders' funds	<u>20,732</u>	<u>20,310</u>

	2013	2012
Company	£000	£000
Opening shareholders' funds	17,914	17,910
Profit for the year	2,463	510
Dividends (Note 22)	(674)	(506)
Shares issued during the year	11	-
	<u>19,714</u>	<u>17,914</u>
Closing shareholders' funds	<u>19,714</u>	<u>17,914</u>

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

The profit for the year dealt with in the accounts of the company was £2,463,000 (2012 - £510,000)

22. Dividends

	2013	2012
	£000	£000
Dividends paid on equity capital	<u>674</u>	<u>506</u>

A dividend of 40 pence (2012 - 30 pence) per ordinary A share was paid in the year

23. Minority interests

Equity	£000
At 1 April 2012	377
Proportion of profit/(loss) after taxation for the year	(30)
Purchase of minority interests	(388)
	<u>(41)</u>
At 31 March 2013	<u>(41)</u>

Notes to the Financial Statements

For the year ended 31 March 2013

24. Acquisitions and Disposals

The group sold its investment in The Argento Wine Company Limited on 14 September 2012

Disposals

	£000
Assets and liabilities sold	
Tangible fixed assets	19
Intangible fixed assets	1,802
Investments	14
Debtors	3,013
Stocks	210
Cash at bank	264
Other creditors and provisions	(956)
Net assets sold	<u>4,366</u>
Proceeds - cash	<u>6,065</u>
	<u>6,065</u>
Profit on disposal	<u>1,699</u>

The summarised profit and loss account for The Argento Wine Company Limited for the period from 1 April 2012 to the date of disposal was as follows

Turnover	<u>4,349</u>
Operating loss	<u>(342)</u>
Loss before tax	<u>(344)</u>
Taxation	<u>58</u>
Loss after tax	<u>(286)</u>

In addition, the group disposed of its investment in joint venture SAAM Wine Company Limited on 28 March 2013 for £30,000, recording a profit on disposal of £29,500

The total profit from the disposal of both The Argento Wine Company Limited and SAAM Wine Company Limited was therefore £1,728,000

Notes to the Financial Statements

For the year ended 31 March 2013

25. Net cash flow from operating activities

	Continuing	Discontinued	2013	2012
	£000	£000	Total £000	£000
Operating (loss)/profit	(339)	(342)	(681)	3,138
Amortisation of intangible fixed assets	577	48	625	726
Depreciation of tangible fixed assets	704	7	711	621
Decrease/(increase) in stocks	1,704	(147)	1,557	(1,690)
Decrease in debtors	2,139	416	2,555	2,584
Decrease in creditors	(3,164)	(379)	(3,543)	(5,031)
Net cash inflow from continuing operating activities	1,621			
Net cash outflow in respect of discontinued activities		(397)		
Net cash inflow from operating activities			1,224	348

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

	2013	2012
	£000	£000
Returns on investments and servicing of finance		
Interest received	3	12
Interest paid	(431)	(424)
Dividend received from Joint venture	63	-
Net cash outflow from returns on investments and servicing of finance	(365)	(412)
Taxation		
Corporation tax	(542)	(1,265)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(889)	(985)
Sale of tangible fixed assets	-	11
Net cash outflow from capital expenditure	(889)	(974)

Notes to the Financial Statements

For the year ended 31 March 2013

26. Analysis of cash flows for headings netted in cash flow statement (continued)

	2013 £000	2012 £000
Acquisitions and disposals		
Purchase of fixed asset investments	(188)	-
Sale of fixed asset investments	6,095	-
Cash transferred on sale of fixed asset investments	(264)	-
Net cash inflow from acquisitions and disposals	5,643	-
	2013 £000	2012 £000
Financing		
Issue of ordinary shares	11	-
Repayment of loans	(51)	(173)
Net cash outflow from financing	(40)	(173)

27. Analysis of changes in net debt

	1 April 2012 £000	Cash flow £000	Other non-cash changes £000	31 March 2013 £000
Cash at bank and in hand	1,986	3,841	-	5,827
Bank overdraft	(14,842)	516	-	(14,326)
	(12,856)	4,357	-	(8,499)
Debt:				
Debts due within one year	(51)	51	-	-
Net debt	(12,907)	4,408	-	(8,499)

28. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £329,000 (2012 - £322,000). Contributions totalling £45,000 (2012 - £46,000) were payable to the fund at the balance sheet date and are included in other creditors.

Notes to the Financial Statements

For the year ended 31 March 2013

29. Operating lease commitments

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings		2013 £000	Other 2012 £000
	2013 £000	2012 £000		
Expiry date:				
Within 1 year	-	24	38	-
Between 2 and 5 years	-	-	184	157
After more than 5 years	127	127	-	-
	<u>127</u>	<u>151</u>	<u>222</u>	<u>157</u>

30. Other financial commitments

At 31 March 2013, the company had entered into forward foreign exchange purchase contracts with a value amounting to £6,660,595 (2012 - £19,936,330)

31. Related party transactions

An amount of £153,000 (2012 - £153,000) in respect of shares sold by the Bibendum Wine Employee Share Option Plan is due from the Employee Benefit Trust. Of this amount, £56,000 (2012 - £56,000) is due from a director to the Employee Benefit Trust.

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

The Argento Wine Company Limited was a 66% subsidiary of Bibendum Wine Limited until 2 May 2012, when that company purchased the remaining shares and transactions with The Argento Wine Company Limited became exempt from disclosure under FRS 8. In the period to 2 May 2012, Bibendum Wine Limited purchased wine totalling £94,221 (2012 full year - £2,367,140) and provided services totalling £17,450 (2012 full year - £1,524,627) from/to The Argento Wine Company Limited. Goods are bought and sold on the basis of the price list in force with non related parties.

During the year, Bibendum Wine Limited purchased wine totalling £131,243 (2012 - £363,400) from SAAM Wine Company Limited, a joint venture vehicle in which that company held a 50% interest until 28 March 2013. Goods are bought and sold on the basis of the price list in force with non related parties. During the year, Bibendum Wine Limited sold marketing and other services to SAAM Wine Company Limited to the value of £2,124 (2012 - £NIL). At 31 March 2013, SAAM Wine Company Limited was no longer a related party.

During the year, Bibendum Wine Limited sold wine totalling £134,545 (2012 - £53,063) to The Wondering Wine Company Limited, a 90% subsidiary of Bibendum Wine Holdings Limited. At 31 March 2013, the outstanding balance due to Bibendum Wine Limited was £623,790 (2012 - £485,214). No amounts were written off in the year.

Notes to the Financial Statements

For the year ended 31 March 2013

32. Analysis of operating (loss)/profit

	2013		2012	
	Continuing	Discontinued	Continuing	Discontinued
	£000	£000	£000	£000
Turnover	177,167	3,553	176,454	8,496
Cost of sales	(152,615)	(3,040)	(150,870)	(7,355)
Gross profit	24,552	513	25,584	1,141
Distribution costs	(16,500)	-	(13,873)	-
Administrative expenses	(8,391)	(855)	(8,044)	(1,670)
	(339)	(342)	3,667	(529)