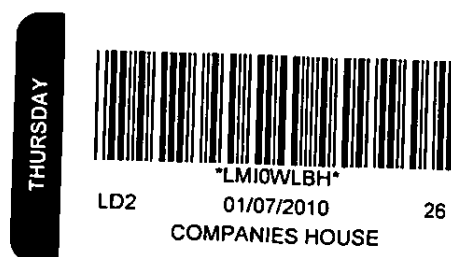


Financial statements Bibendum Wine Holdings Limited

For the Year Ended 31 March 2010



Company No. 6155211

Officers and professional advisers

Company registration number

6155211

Registered office

113 Regents Park Road
London
NW1 8UR

Directors

P I Espenhahn
M P Saunders
R S Cochrane
S C Farr
R M Gabb
J S P Kowszun
H M C Morley
A M Vinton
A G Wahab
J J Young

Bankers

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

Auditor

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

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Report of the directors

The directors present their annual report on the affairs of the Group, together with the accounts and auditor's report for the year ended 31 March 2010

Principal activities and business review

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

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

The Group seeks to deliver a reliable, secure, quality income stream based on building the strength of the Bibendum Brand, increasing customer loyalty and having strength in a variety of routes to market, coupled with the responsible and prudent management of our working capital and balance sheet. The Board expects to continue with the consistent implementation of this strategy in the coming financial year

The key performance indicators used to manage the business, each of which is objectively measured and has performance targets set against it are as follows

- Growth in sales and gross margins against pre-set targets
- Consistently tight control over overheads, without damaging service levels
- Aggressive management of each element of working capital
- Customer satisfaction with our products, people and services
- Employee satisfaction

Group turnover during the year increased by 5% to £144.5m (2009 £137.2m) with gross profit increasing by 11% to £20.8m (2009 £18.8m) over the same period. This improvement in gross profit has been generated by an increase in the gross margin (as a percentage to sales) to 14.4% (2009 13.7%). Our focus on internal processes and controls has resulted in the operating profit for the year increasing by 183% to £1.7m (2009 £0.6m). This substantial increase in profitability was achieved through strong cost control and efficiency gains in every area of the business. This effect was seen in distribution costs, through the sales team and the administration functions of the business.

The business has also benefited from a lower interest charge of £0.3m (2009 £0.7m) which is the result of lower interest rates, re-negotiated and enhanced banking facilities and a 20% reduction in net debt to £10.3m (2009 £12.8m). Profit before tax has therefore increased by £1.5m to £1.4m (2009 loss £0.1m). Profit after taxation and minority interest was £0.6m (2009 loss £0.4m).

Results and dividends

The profit for the year, after taxation, amounted to £583,000. No dividend is being paid at present.

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 Australian dollar and Euro outflows from the UK.

The group's exposure to transactional (or non structural) foreign exchange risks ie 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 quantum of current contracts in place are disclosed in note 32.

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. 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.

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

The directors who served the company during the year were as follows:

P I Espenhahn
M P Saunders
R S Cochrane
S C Farr
R M Gabb
J S P Kowszun
H M C Morley
A M Vinton
A G Wahab
J J Young

R S Cochrane was appointed as a director on 14 March 2010

J S P Kowszun was appointed as a director on 14 March 2010

Fixed assets

At 31 March 2010, 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 £2,900,000 and the book value has been increased by £200,000 accordingly.

Directors' responsibilities

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year the Group provided £4,000 (2009 £4,000) to its Charity Committee, made up of employees, who carried out various fundraising activities throughout the year for our nominated charity, the Multiple Sclerosis Society.

Auditor

Grant Thornton UK LLP were appointed as auditors in the year

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006

BY ORDER OF THE BOARD



J S P Kowaszun
Director



Independent auditor's report to the members of Bibendum Wine Holdings Limited

We have audited the group and parent company financial statements ("the financial statements") of Bibendum Wine Holdings Limited for the year ended 31 March 2010. 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 Sections 495 and 496 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2010 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 report of the directors 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 Limited Holdings (continued)

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



MARK HENSHAW
(Senior Statutory Auditor)
For and on behalf of
GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS

LONDON
30 June 2010

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all significant group undertakings, made up to 31 March 2010, 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

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of Section 408 of the Companies Act 2006

Related parties transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with wholly owned members of the Bibendum group

Turnover

The turnover shown in the profit and loss account 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

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 useful economic life, which is 20 years. Provisions are made for any impairment in value.

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.

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.

Amortisation

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:

Goodwill	-	Over 20 years
Brands	-	Over 20 years

Fixed assets

Land and buildings are shown at valuation, as set out in the notes to the financial statements. Other fixed assets are shown at cost.

Depreciation

Depreciation 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:

Fixtures & Fittings	-	15% per annum
Motor Vehicles	-	15% per annum
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.

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred taxation is provided for on a full provision basis on all timing differences, which have arisen but not been reversed at the balance sheet date.

Deferred tax assets are only 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 sufficient suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax assets are not discounted.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the operating profit.

The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to reserves. All other exchange differences are dealt with through the profit and loss account.

Share-based payments

The group issues equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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.

Profit and loss account

	Note	2010 £000	2009 £000
Group turnover (including share of joint venture)	1	144,849	138,152
Less share of joint venture turnover		(311)	(937)
Group Turnover		<u>144,538</u>	<u>137,215</u>
Cost of sales		<u>(123,704)</u>	<u>(118,368)</u>
Gross profit		<u>20,834</u>	<u>18,847</u>
Other operating charges	2	<u>(19,172)</u>	<u>(18,267)</u>
Operating profit	4	1,662	580
Share of joint venture operating profit		22	86
Total operating profit: group and share of joint ventures		1,684	666
Income from fixed asset investments	7	35	—
Interest receivable		3	10
Interest payable and similar charges	8	<u>(323)</u>	<u>(737)</u>
Profit/(loss) on ordinary activities before taxation		1,399	(61)
Tax on profit/(loss) on ordinary activities	9	<u>(677)</u>	<u>(236)</u>
Profit/(loss) on ordinary activities after taxation		722	(297)
Minority interests		<u>(139)</u>	<u>(142)</u>
Profit/(loss) for the financial year	28	583	(439)
Earnings per share (pence)			
Basic	11	<u>34.5</u>	<u>(26 0)p</u>
Diluted	11	<u>29.1</u>	<u>(26 0)p</u>

All of the activities of the group are classed as continuing

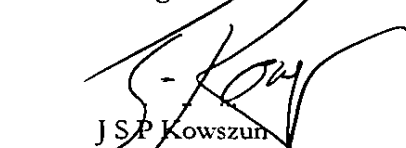
The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

The accompanying accounting policies and notes form part of these financial statements.

Group balance sheet

	Note	2010 £000	2009 £000
Fixed assets			
Intangible assets	12	12,249	13,093
Tangible assets	13	3,493	3,433
Investments	14	86	67
		<u>15,828</u>	<u>16,593</u>
Current assets			
Stocks	15	10,240	9,750
Debtors	16	31,489	32,120
Cash at bank and in hand		2,838	2,604
		<u>44,567</u>	<u>44,474</u>
Creditors: amounts falling due within one year	18	<u>(42,113)</u>	<u>(43,935)</u>
Net current assets		<u>2,454</u>	<u>539</u>
Total assets less current liabilities		<u>18,282</u>	<u>17,132</u>
Creditors: amounts falling due after more than one year	19	<u>(214)</u>	<u>-</u>
		<u>18,068</u>	<u>17,132</u>
Capital and reserves			
Called-up equity share capital	23	1,688	1,688
Share premium account	24	16,121	16,121
Revaluation reserve	25	200	-
Share options reserve	26	42	28
Own shares in EBT	27	(7)	(7)
Profit and loss account	28	(598)	(1,181)
Shareholders' funds	29	<u>17,446</u>	<u>16,649</u>
Minority interests		<u>622</u>	<u>483</u>
		<u>18,068</u>	<u>17,132</u>

These financial statements were approved by the directors and authorised for issue on 30 June 2010, and are signed on their behalf by:


J S P Kowszun
Director

Company registration no 6155211

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2010 £000	2009 £000
Fixed assets			
Investments	14	<u>21,491</u>	<u>21,477</u>
Current assets			
Debtors	16	9	-
Cash at bank		<u>1</u>	<u>7</u>
		<u>21,501</u>	<u>21,484</u>
Creditors: amounts falling due within one year	18	<u>(3,605)</u>	<u>(3,611)</u>
Net assets		<u>17,896</u>	<u>17,873</u>
Capital and reserves			
Called-up equity share capital	23	1,688	1,688
Share premium account	24	16,121	16,121
Share option reserve	26	42	28
Own shares in EBT	27	(7)	(7)
Profit and loss account	28	<u>52</u>	<u>43</u>
Shareholders' funds		<u>17,896</u>	<u>17,873</u>

These financial statements were approved by the directors and authorised for issue on 30 June 2010, and are signed on their behalf by


J S P Kowszun

Company Registration Number 6155211

Group cash flow statement

	Note	2010 £000	2009 £000
Net cash inflow from operating activities	30	2,436	1,853
Returns on investments and servicing of finance	30	(285)	(727)
Taxation	30	869	(759)
Capital expenditure and financial investment	30	(490)	(514)
Cash inflow/(outflow) before financing		<u>2,530</u>	<u>(147)</u>
Financing	30	(166)	(143)
Increase/(decrease) in cash	30	<u>2,364</u>	<u>(290)</u>

The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Statement of total recognised gains and losses

	2010	2009
	£000	£000
Profit/(loss) for the financial year excluding share of profit of joint venture	564	(505)
Share of joint venture profit for the year	19	66
Profit/(loss) attributable to shareholders of the parent company	583	(439)
Unrealised profit on revaluation of certain fixed assets	200	—
Total recognised gains and losses for the year	783	(439)
Prior year adjustment	—	(1,307)
Total gains and losses recognised since the last financial statements	783	(1,746)

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group
 An analysis of turnover is given below

	2010 £000	2009 £000
United Kingdom	133,143	129,335
Europe	8,831	5,672
Rest of world	2,564	2,208
	<u>144,538</u>	<u>137,215</u>

2 Other operating charges

	2010 £000	2009 £000
Distribution costs	11,727	10,937
Administrative expenses	7,445	7,330
	<u>19,172</u>	<u>18,267</u>

3 Other operating income

The share of operating profit relating to the joint venture is £22,000 (2009 £86,000)

4 Operating profit

Operating profit is stated after charging/(crediting)

	2010 £000	2009 £000
Equity settled share based payments	14	14
Amortisation of intangible assets	1,024	630
Depreciation of owned fixed assets	631	521
Operating lease rentals - plant and machinery	141	132
Operating lease rentals - other assets	48	48
Auditor's remuneration - audit of the financial statements	9	4
Auditor's remuneration - other fees	60	82

4 Operating profit (continued)

	2010 £000	2009 £000
Auditor's remuneration - audit of the financial statements	4	4
- audit of the consolidation	5	—
	<u> </u>	<u> </u>
Auditor's remuneration - other fees		
- Local statutory audit of subsidiaries	41	54
- Taxation services	15	17
- Local statutory audit of joint ventures	4	4
- Accountancy assistance	—	7
	<u>60</u>	<u>82</u>

5 Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	2010 No	2009 No
Number of distribution staff	151	151
Number of administrative staff	59	51
	<u>210</u>	<u>202</u>

The aggregate payroll costs of the above were

	2010 £000	2009 £000
Wages and salaries	8,240	8,260
Social security costs	957	911
Other pension costs	253	223
	<u>9,450</u>	<u>9,394</u>

6 Directors

Remuneration in respect of directors was as follows

	2010 £000	2009 £000
Remuneration receivable	980	592
Value of company pension contributions to money purchase schemes	52	47
	<u>1,032</u>	<u>639</u>

6 Directors (continued)

Remuneration of highest paid director

2010	2009
£000	£000

Total remuneration (excluding pension contributions)

315	221
------------	------------

Value of company pension contributions to money purchase schemes

5	20
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<u>320</u>	<u>241</u>
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The number of directors who accrued benefits under company pension schemes was as follows

2010	2009
No	No

Money purchase schemes

3	-
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The highest paid director did not receive any share options in Bibendum Wine Limited during the year
 No directors exercised share options in the year

7 Income from other fixed asset investments

2010	2009
£000	£000

Dividend received from joint venture

35	-
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8 Interest payable and similar charges

2010	2009
£000	£000

Interest payable on bank borrowing

323	737
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9 Taxation on ordinary activities

(a) Analysis of charge in the year

	2010 £000	2009 £000
Current tax		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	627	216
(Over)/under provision in prior year	56	-
	<u>683</u>	<u>216</u>
Share of joint venture taxation charge	3	20
Total current tax	<u>686</u>	<u>236</u>
Deferred tax		
Origination and reversal of timing differences	(9)	-
Tax on profit on ordinary activities	<u>677</u>	<u>236</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £000	2009 £000
Profit/(loss) on ordinary activities before taxation	<u>1,399</u>	<u>(61)</u>
Profit on ordinary activities by rate of tax	392	(17)
Expenses not deductible for tax purposes	267	168
Capital allowances for period in excess of depreciation	8	69
Adjustments to tax charge in respect of previous periods	24	-
Share of joint venture tax	6	20
Other short-term timing differences	(11)	(4)
Total current tax (note 9(a))	<u>686</u>	<u>236</u>

(c) Factors that may affect future tax charges

At 31 March 2010, a deferred tax asset of £55,000 (2009 £64,000) 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.

10 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £9,000 (2009 - £(31,000)) (see note 28)

11 Earnings per share

The basic earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares 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 less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares)

The calculation of basic and diluted earnings per ordinary share is based upon the following data

Earnings

	2010 £	2009 £
Earnings for the purposes of basic earnings per share	583,000	(439,000)
Earnings for the purposes of diluted earnings per share	<u>583,000</u>	<u>(439,000)</u>

Number of shares

	2010 No	2009 No
Basic weighted average number of shares	1,688,014	1,688,014
Weighted average number of shares for the purposes of diluted earnings per share	<u>2,003,719</u>	<u>2,003,719</u>

12 Intangible fixed assets

Group	Goodwill £000	Brands £000	Total £000
Cost			
At 1 April 2009	12,399	1,923	14,322
Additions	-	180	180
At 31 March 2010	<u>12,399</u>	<u>2,103</u>	<u>14,502</u>
Amortisation			
At 1 April 2009	1,019	210	1,229
Charge for the year	739	285	1,024
At 31 March 2010	<u>1,758</u>	<u>495</u>	<u>2,253</u>
Net book value			
At 31 March 2010	<u>10,641</u>	<u>1,608</u>	<u>12,249</u>
At 31 March 2009	<u>11,380</u>	<u>1,713</u>	<u>13,093</u>

13 Tangible fixed assets

Group	Freehold Property £000	Property improve- ments £000	Fixtures & Fittings £000	Motor Vehicles £000	Equipment £000	Total £000
Cost or valuation						
At 1 Apr 2009	2,230	1,538	522	10	1,871	6,171
Additions	-	31	26	-	435	492
Disposals	-	-	(267)	-	(1,107)	(1,374)
Revaluauon	200	-	-	-	-	200
At 31 Mar 2010	<u>2,430</u>	<u>1,569</u>	<u>281</u>	<u>10</u>	<u>1,199</u>	<u>5,489</u>
Depreciation						
At 1 Apr 2009	-	887	370	6	1,475	2,738
Charge for the year	-	215	81	2	333	631
On disposals	-	-	(267)	-	(1,106)	(1,373)
At 31 Mar 2010	<u>-</u>	<u>1,102</u>	<u>184</u>	<u>8</u>	<u>702</u>	<u>1,996</u>
Net book value						
At 31 Mar 2010	<u>2,430</u>	<u>467</u>	<u>97</u>	<u>2</u>	<u>497</u>	<u>3,493</u>
At 31 Mar 2009	<u>2,230</u>	<u>651</u>	<u>152</u>	<u>4</u>	<u>396</u>	<u>3,433</u>

13 Tangible fixed assets (continued)

The cost to the group of the freehold property as at 31 March 2010 was £700,000 (2009 £700,000)

At 31 March 2010, the Directors engaged an external firm of property consultants, Vail Williams, to complete a full existing use, market valuation of the Group's freehold property. The valuation indicated that the open market value of the property (including property improvements) was £2,900,000

14 Investments

Group	Investment in joint venture
	£000
Cost	
At 1 April 2009	67
Additions	19
At 31 March 2010	<u>86</u>
Net book value	
At 31 March 2010	<u>86</u>
At 31 March 2009	<u>67</u>

The Group's investment in joint ventures represents a 50% shareholding in SAAM Wine Company Limited, a company incorporated in England and Wales. The principal activity of the joint venture company is the importation and distribution of South African Wine. The financial statements for the year ended 31 March 2010 report a retained profit of £37,142 (2009 £133,747) and net assets of £101,889 (2009 £134,747)

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
Bibendum Wine Limited	England	Ordinary shares	100%	Wine distributor
Mixbury Trading Company Limited	England	Ordinary shares	100%	Non trading
The Yorkshire Fine Wine Company Limited	England	Ordinary shares	100%	Dormant
H Youdell and Company Limited	England	Ordinary shares	100%	Dormant
Bibendum Europe LLP	England	Ordinary shares	70%	Wine distributor
The Argento Wine Company Limited*	England	Ordinary shares	67%	Wine distributor
The Argento Wine Company Argentina S A **	Argentina	Ordinary shares	67%	Wine distributor

14 Investments (continued)

* 33% is held by Mixbury Trading Company Limited and 33% is held by Bibendum Wine Limited

** Held by The Argento Wine Company Limited

*** Held by Bibendum Wine Limited

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

Company	Group companies £000
Cost and net book value	
At 1 April 2009	21,477
Additions	14
At 31 December 2010	<u>21,491</u>

15 Stocks

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Goods held for resale	<u>10,240</u>	<u>9,750</u>	<u>-</u>	<u>-</u>

16 Debtors

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Trade debtors	28,299	26,039	-	-
Corporation tax repayable	-	888	-	-
Other debtors	608	1,778	-	-
Amounts due to group undertakings	-	-	9	-
Deferred taxation (Note 17)	55	64	-	-
Prepayments and accrued income	2,527	3,351	-	-
	<u>31,489</u>	<u>32,120</u>	<u>9</u>	<u>-</u>

Included within other debtors is a balance of £153,000 (2009 £153,000) due from the Employee Benefit Trust in more than one year

17 Deferred taxation

The movement in the deferred taxation asset during the year was

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Asset brought forward	64	64	—	—
Decrease in asset	(9)	—	—	—
Asset carried forward	<u>55</u>	<u>64</u>	<u>—</u>	<u>—</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2010		2009	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Excess of depreciation over taxation allowances	<u>55</u>	<u>—</u>	<u>64</u>	<u>—</u>

The company's asset for deferred taxation consists of the tax effect of timing differences in respect of

Company	2010		2009	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Excess of depreciation over taxation allowances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

18 Creditors: amounts falling due within one year

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Bank loans and overdrafts	12,897	15,406	–	–
Trade creditors	18,511	17,507	–	–
Amounts owed to subsidiary undertakings	–	–	3,605	3,580
Corporation tax	643	–	–	–
Other taxation and social security	3,065	2,283	–	–
Other creditors	76	88	–	–
Accruals and deferred income	6,921	8,651	–	31
	<u>42,113</u>	<u>43,935</u>	<u>3,605</u>	<u>3,611</u>

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.

The loan balance of £557,000 included within the bank loans and overdrafts above at 31 March 2009 was reclassified as due within one year, as a result of a breach in the interest cover financial covenant attached to this loan. The terms of the loan remain unchanged and the total amount of £177,000 was due for repayment within one year, with the balance due for repayment after more than one year. For the year ended 31 March 2010, no covenants were breached and the loan is classified according to the contractual repayments.

19 Creditors: amounts falling due after more than one year

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Bank loans	<u>214</u>	<u>–</u>	<u>–</u>	<u>–</u>

The bank loan brought forward at 1 April 2009 is repayable over 5 years and attracts an interest rate related to the Royal Bank of Scotland base rate.

20 Share-based payments

Equity-settled share-based payments

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

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

	May 2007	September 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%

21 Commitments under operating leases

At 31 March 2010 the group had annual commitments under non-cancellable operating leases as set out below:

The group	2010		2009	
	Land and buildings £000	Other items £000	Land and buildings £000	Other items £000
Operating leases which expire				
Within 1 year	-	132	-	132
Within 2 to 5 years	48	9	48	-
	<u>48</u>	<u>141</u>	<u>48</u>	<u>132</u>

22 Related party transactions

An amount of £153,000 (2009: £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 (2009: £71,750) 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.

During the year, Bibendum Wine Limited purchased wine totalling £1,836,012 (2009: £2,660,450) and provided services totalling £430,852 (2009: £12,053) from/to The Argento Wine Company Limited, a 66.6% subsidiary of the group. Goods are bought and sold on the basis of the price list in force with non related parties. At 31 March 2010, the outstanding balance payable from Bibendum Wine Limited to The Argento Wine Company Limited was £440,277 (2009: £532,890). No amounts were written off in the year.

During the year, Bibendum Wine Limited purchased wine totalling £473,932 (2009: £1,867,435) from SAAM Wine Company Limited, a joint venture vehicle of which the group holds a 50% interest. 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 £50,328 (2009: £nil). At 31 March 2010, the outstanding balance payable from Bibendum Wine Limited to SAAM Wine Company Limited was £65,543 (2009: £1,451,016). No amounts were written off in the year.

23 Share capital

Authorised share capital

	2010 £000	2009 £000
2,450,000 Ordinary shares of £1 each	<u>2,450</u>	<u>2,450</u>

Allotted and called up

	2010 No	£000	2009 No	£000
1,688,014 Ordinary shares of £1 each	<u>1,688,014</u>	<u>1,688</u>	<u>1,688,014</u>	<u>1,688</u>

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
14 July 2009	14 July 2016	£5.50	40,000
13 December 2009	13 December 2016	£7.00	85,000
3 September 2008	3 September 2028	£21.10	153,352

24 Share premium account

There was no movement on the share premium account during the financial year

25 Revaluation reserve

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Revaluation in the year	<u>200</u>	<u>—</u>	<u>—</u>	<u>—</u>

26 Share option reserve

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Balance brought forward	28	14	28	14
Other movements	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>
Balance carried forward	<u>42</u>	<u>28</u>	<u>42</u>	<u>28</u>

27 Own shares in EBT

There was no movement on the balance of own shares in the EBT during the financial year

28 Profit and loss account

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Balance brought forward	(1,181)	(742)	43	74
Profit/(loss) for the financial year	<u>583</u>	<u>(439)</u>	<u>9</u>	<u>(31)</u>
Balance carried forward	<u>(598)</u>	<u>(1,181)</u>	<u>52</u>	<u>43</u>

Cumulative goodwill written off to group reserves amounts to £371,000 (2009 £371,000)

29 Reconciliation of movements in shareholders' funds

	The group		The company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Profit/(loss) for the financial year	583	(439)	9	(31)
Other net recognised gains and losses	200	—	—	—
Purchase of own ordinary shares	—	(7)	—	(7)
Share option reserve	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>
Net addition to shareholders' funds	<u>797</u>	<u>(432)</u>	<u>23</u>	<u>(24)</u>
Opening shareholders' funds	<u>16,649</u>	<u>17,081</u>	<u>17,873</u>	<u>17,897</u>
	<u>17,446</u>	<u>16,649</u>	<u>17,896</u>	<u>17,873</u>

30 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2010 £000	2009 £000
Operating profit	1,662	580
Amortisation	1,024	630
Depreciation	631	521
(Increase)/decrease in stocks	(490)	851
(Increase)/decrease in debtors	(271)	9,029
Increase/(decrease) in creditors	(134)	(9,772)
Equity-settled share-based payments	14	14
Net cash inflow from operating activities	<u>2,436</u>	<u>1,853</u>

Returns on investments and servicing of finance

	2010 £000	2009 £000
Income from other fixed asset investments	35	—
Interest received	3	10
Interest paid	(323)	(737)
Net cash outflow from returns on investments and servicing of finance	<u>(285)</u>	<u>(727)</u>

Taxation

	2010 £000	2009 £000
Taxation	<u>869</u>	<u>(759)</u>

Capital expenditure

	2010 £000	2009 £000
Payments to acquire intangible fixed assets	—	(41)
Payments to acquire tangible fixed assets	(492)	(473)
Receipts from sale of fixed assets	2	—
Net cash outflow from capital expenditure	<u>(490)</u>	<u>(514)</u>

Financing

	2010 £000	2009 £000
Repayment of bank loans	<u>(166)</u>	<u>(143)</u>

30 Notes to the cash flow statement

Reconciliation of net cash flow to movement in net debt

	2010 £000	2009 £000
Increase/(decrease) in cash in the period	2,364	(290)
Net cash outflow from bank loans	166	143
	<u>2,530</u>	<u>(147)</u>
Change in net debt	2,530	(147)
Net debt at 1 April 2009	(12,802)	(12,655)
Net debt at 31 March 2010	<u>(10,272)</u>	<u>(12,802)</u>

Analysis of changes in net debt

	At 1 Apr 2009 £000	Cash flows £000	Non cash movement £000	At 31 Mar 2010 £000
Net cash				
Cash in hand and at bank	2,604	234		2,838
Overdrafts	(14,849)	2,130		(12,719)
	<u>(12,245)</u>	<u>2,364</u>		<u>(9,881)</u>
Debt				
Debt due within 1 year	(557)	166	214	(177)
Debt due after 1 year	-	-	(214)	(214)
	<u>(557)</u>	<u>166</u>	<u>-</u>	<u>(391)</u>
Net debt	<u>(12,802)</u>	<u>2,530</u>		<u>(10,272)</u>

31 Ultimate controlling company

There is no ultimate controlling party

32 Financial commitments

At 31 March 2010, the company had entered into forward foreign exchange purchase contracts with a value amounting to £26,102,465 (2009 £19,638,325)