

Financial Statements

Bibendum PLB Group Limited

For the year ended 31 March 2016

Registered number: 6155211



Bibendum PLB Group Limited
Registered number:6155211

Company Information

Directors

M P Saunders
S C Farr (resigned 20 May 2016)
R M Gabb (resigned 20 May 2016)
J S P Kowszun (resigned 28 July 2016)
H M C Morley (resigned 20 May 2016)
A M Vinton (resigned 20 May 2016)
J Caddy (resigned 20 May 2016)
S D Moss (resigned 20 May 2016)
W Conn (resigned 21 April 2016)
A Fisher (resigned 22 April 2016)
J M Fredericks (resigned 20 May 2016)
M Aylwin (appointed 20 May 2016)
A Humphreys (appointed 20 May 2016)
D Hunter (appointed 20 May 2016)

Registered number

6155211

Registered office

Unit 1 Weston Road
Crewe
Cheshire
CW1 6BP

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

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Directors' report

For the year ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group financial statements 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; and
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £4,431,000 (2015 - loss £1,990,000).

The company paid an interim dividend of 35p per issued share on 14 September 2015.

Directors

The directors who served during the year were:

M P Saunders

S C Farr (resigned 20 May 2016)

R M Gabb (resigned 20 May 2016)

J S P Kowszun (resigned 28 July 2016)

H M C Morley (resigned 20 May 2016)

A M Vinton (resigned 20 May 2016)

J Caddy (resigned 20 May 2016)

S D Moss (resigned 20 May 2016)

W Conn (resigned 21 April 2016)

A Fisher (resigned 22 April 2016)

J M Fredericks (resigned 20 May 2016)

Directors' report

For the year ended 31 March 2016

Disabled employees

People with disabilities have equal opportunities when applying for vacancies. The group supports employees who become disabled by offering re-training or re employment where necessary.

Employee involvement

The group is committed to employee involvement throughout the business. The group is intent on motivating and keeping staff informed on matters that concern them in the context of their employment and involving them.

Disclosure 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 relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

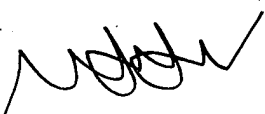
Post balance sheet events

Post year end, on 20 May 2016, the entire share capital of the company was purchased by Conviviality Plc.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 October 2016 and signed on its behalf.



M P Saunders
Director

Group strategic report

For the year ended 31 March 2016

Business review

Following the acquisition of PLB Group Ltd on 28th October 2014 the integration has been completed and the benefits delivered. The prior year results therefore include five months trading of PLB Group Ltd. Group turnover has consequently grown by 21% to £271.0m (2015: £223.8m). Gross profit has increased by 25% to £34.1m (2015: £27.3m), driven by an increase in group gross margin to 12.6% (2015: 12.2%).

Total operating costs (excluding exceptional items, fair value movements, depreciation and amortisation of intangible assets) rose by 10% to £27.3m (2015: £24.8m) as we include PLB for a full year. This represents a reduction to 10.0% of sales, compared with 11.1% last year and reflects the delivery of integration savings. EBITDA (before exceptional items and fair value movements) for the Group has increased from £2.4m last year to £6.8m in the year just ended. After adjusting for intangible asset amortisation and depreciation Operating Profit (before exceptional items and fair value movements) has increased to £5.2m (2015: £0.9m).

The Group has adopted FRS 102 in the year ended 31st March 2016. This resulted in two changes, accruing for earned but not taken employee benefits and adjusting foreign exchange hedging contracts to market as at 31 March 2016. These changes increased profitability in the year to 31 March 2016 by £1.7m.

The exceptional item of £0.5m relates to the one-off and non-recurring costs required to finish the integration of the businesses. Interest payable increased to £0.7m resulting from the coupon payable on redeemable preference shares following the PLB acquisition being included for a full year, increased underlying net debt used to finance the acquisition of PLB Group and some investment in working capital during the year – particularly on stock.

Profit before tax was £5.8m. This compares with a loss before tax last year of £2.0m. This is an excellent performance and is down to the dedication and excellence of our talented teams.

Net debt has increased to £17.8m (2015: £15.2m) whilst the ratio to EBITDA has reduced from 6.1x to 2.6x. The Group has £46m of trade debtors and the quality of the debtor book remains strong. The Group's overall banking facilities are sufficient for both immediate and future needs.

Group strategic report (continued)

For the year ended 31 March 2016

Principal risks and uncertainties

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 New Zealand dollar, Australian dollar and Euro 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 New Zealand dollar, 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 is disclosed in the notes to the financial statements.

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. 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.


Financial key performance indicators

The key financial performance indicators include turnover, gross profit, gross profit margin and net debt. These are all discussed as part of the Business Review above.

Other key performance indicators

The other key performance indicators are all discussed as part of the Business Review above.

This report was approved by the board on 13 October 2016 and signed on its behalf.


M P Saunders
Director

Independent auditor's report to the shareholders of Bibendum PLB Group Limited

We have audited the financial statements of Bibendum PLB Group Limited for the year ended 31 March 2016, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2016 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 Group strategic report and 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 shareholders of Bibendum PLB Group 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", followed by a small flourish.

Mark Henshaw (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
London Euston

13 October 2016

Consolidated statement of comprehensive income

For the year ended 31 March 2016

	Note	2016 £000	2015 £000
Turnover	4	271,041	223,789
Cost of sales		(236,941)	(196,539)
Gross profit		34,100	27,250
Distribution costs		(14,911)	(15,719)
Administrative expenses		(13,941)	(10,682)
Other operating income	5	-	10
Fair value movements		1,765	(882)
Exceptional items		(487)	(1,559)
Operating profit/(loss)	6	6,526	(1,582)
Interest receivable and similar income	11	-	1
Interest payable and expenses	12	(702)	(408)
Profit/(loss) before taxation		5,824	(1,989)
Tax on profit/(loss)	13	(1,393)	(1)
Profit/(loss) for the year		4,431	(1,990)
Unrealised surplus on revaluation of tangible fixed assets		-	1,977
Tax on unrealised surplus on revaluation of tangible fixed assets		-	(395)
Purchase of non-controlling interest		(65)	-
Other comprehensive income for the year		(65)	1,582
Total comprehensive income for the year		4,366	(408)
Profit for the year:			
Non-controlling interests		-	(9)
Owners of the parent Company		4,431	(1,981)
		4,431	(1,990)
Total comprehensive income for the year:			
Non-controlling interest		-	(9)
Owners of the parent Company		4,366	(399)
		4,366	(408)

The notes on pages 14 to 37 form part of these financial statements.

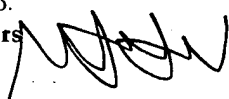
Consolidated statement of financial position

As at 31 March 2016

	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets	15	8,038	8,701
Tangible assets	16	7,985	7,123
Investments	17	106	100
		<u>16,129</u>	<u>15,924</u>
Current assets			
Stocks	18	26,003	25,257
Debtors: amounts falling due within one year	19	49,469	49,064
Cash at bank and in hand	20	3,724	4,390
		<u>79,196</u>	<u>78,711</u>
Creditors: amounts falling due within one year	21	(70,034)	(73,396)
Net current assets		<u>9,162</u>	<u>5,315</u>
Total assets less current liabilities		<u>25,291</u>	<u>21,239</u>
Creditors: amounts falling due after more than one year	22	(2,000)	(2,000)
Provisions for liabilities			
Deferred tax		(169)	(26)
		<u>(169)</u>	<u>(26)</u>
Net assets		<u><u>23,122</u></u>	<u><u>19,213</u></u>
Capital and reserves			
Called up share capital	25	1,834	1,793
Share premium account	26	16,391	16,332
Revaluation reserve	26	2,572	2,572
Profit and loss account	26	2,325	(1,419)
Non-controlling interests		-	(65)
		<u>23,122</u>	<u>19,213</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 October 2016.

M P Saunders
Director



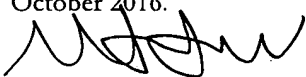
The notes on pages 14 to 37 form part of these financial statements.

Company statement of financial position

As at 31 March 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	17	27,931	27,931
		<u>27,931</u>	<u>27,931</u>
Current assets			
Debtors: amounts falling due within one year	19	330	231
Cash at bank and in hand	20	5	47
		<u>335</u>	<u>278</u>
Creditors: amounts falling due within one year	21	(6,992)	(6,787)
Net current liabilities		<u>(6,657)</u>	<u>(6,509)</u>
Total assets less current liabilities		<u>21,274</u>	<u>21,422</u>
Creditors: amounts falling due after more than one year	22	(2,000)	(2,000)
Net assets		<u>19,274</u>	<u>19,422</u>
Capital and reserves			
Called up share capital	25	1,834	1,793
Share premium account	26	16,391	16,332
Profit and loss account	26	1,049	1,297
Shareholders' funds		<u>19,274</u>	<u>19,422</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 October 2016.



M P Saunders
Director

Consolidated statement of changes in equity

For the year ended 31 March 2016

	Share capital £000	Share premium £000	Revaluation reserve £000	Retained earnings £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 April 2015	1,793	16,332	2,572	(1,419)	19,278	(65)	19,213
Comprehensive income for the year							
Profit for the year	-	-	-	4,431	4,431	-	4,431
Purchase of non- controlling interest	-	-	-	(65)	(65)	-	(65)
Other comprehensive income for the year	-	-	-	(65)	(65)	-	(65)
Total comprehensive income for the year	-	-	-	4,366	4,366	-	4,366
Dividends: Equity capital	-	-	-	(622)	(622)	-	(622)
Shares issued during the year	41	59	-	-	100	-	100
Purchase of non- controlling interest	-	-	-	-	-	65	65
At 31 March 2016	1,834	16,391	2,572	2,325	23,122	-	23,122

Consolidated statement of changes in equity

For the year ended 31 March 2015

	Share capital £000	Share premium £000	Revaluation reserve £000	Retained earnings £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 April 2014	1,779	16,304	595	1,506	20,184	(56)	20,128
Comprehensive income for the year							
Loss for the year	-	-	-	(1,981)	(1,981)	(9)	(1,990)
Surplus on revaluation of freehold property	-	-	1,977	-	1,977	-	1,977
Tax on unrealised surplus on revaluation of tangible fixed assets	-	-	-	(395)	(395)	-	(395)
Total comprehensive income for the year	-	-	1,977	(2,376)	(399)	(9)	(408)
Dividends: Equity capital	-	-	-	(549)	(549)	-	(549)
Shares issued during the year	14	28	-	-	42	-	42
At 31 March 2015	1,793	16,332	2,572	(1,419)	19,278	(65)	19,213

The notes on pages 14 to 37 form part of these financial statements.

Company statement of changes in equity

For the year ended 31 March 2016

	Share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 April 2015	1,793	16,332	1,297	19,422
Comprehensive income for the year				
Profit for the year	-	-	374	374
Total comprehensive income for the year	-	-	374	374
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(622)	(622)
Shares issued during the year	41	59	-	100
At 31 March 2016	1,834	16,391	1,049	19,274

Company statement of changes in equity

For the year ended 31 March 2015

	Share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 April 2014	1,779	16,304	1,930	20,013
Comprehensive income for the year				
Loss for the year	-	-	(84)	(84)
Total comprehensive income for the year	-	-	(84)	(84)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(549)	(549)
Shares issued during the year	14	28	-	42
At 31 March 2015	1,793	16,332	1,297	19,422

The notes on pages 14 to 37 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 March 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Profit for the financial year	4,431	(1,990)
Adjustments for:		
Amortisation of intangible assets	663	659
Depreciation of tangible assets	925	929
Loss on disposal of tangible assets	-	(75)
Increase in stocks	(746)	827
Interest paid	702	408
Interest received	-	(1)
Taxation	1,393	1
Decrease / (increase) in debtors	17	(2,630)
Decrease in creditors	(4,601)	(4,584)
Fair value movement in derivative	(1,765)	883
Corporation tax paid	(603)	(141)
Net cash generated from operating activities	416	(5,714)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,793)	(928)
Sale of tangible fixed assets	5	174
Purchase of fixed asset investments	(6)	(4,466)
Interest received	-	1
Net cash from investing activities	(1,794)	(5,219)
Cash flows from financing activities		
Issue of ordinary shares	101	42
Dividends paid	(622)	(549)
Interest paid	(702)	(408)
Net cash used in financing activities	(1,223)	(915)
Net increase / (decrease) in cash and cash equivalents	(2,601)	(11,848)
Cash and cash equivalents at beginning of year	(15,200)	(3,352)
Cash and cash equivalents at the end of year	(17,801)	(15,200)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,724	4,390
Bank overdrafts	(21,525)	(19,590)
	(17,801)	(15,200)

Notes to the financial statements

For the year ended 31 March 2016

1. General information

Bibendum PLB Group Limited is a private company, limited by shares and is incorporated in England. The registered office is Unit 1, Weston Road, Crewe, Cheshire, CW1 6BPR.

2. Accounting policies

2.1 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 34.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in Sterling (£).

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 following principal accounting policies have been applied:

2.2 Basis of consolidation

The financial statements consolidate the accounts of Bibendum PLB Group Limited formerly (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.

Notes to the financial statements

For the year ended 31 March 2016

2. Accounting policies (continued)

2.3 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.

2.4 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.

Amortisation is provided at the following rates:

Goodwill	- 20 years
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2.5 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.

Depreciation is provided on the following basis:

Freehold property (building)	- 2% per annum
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.

Notes to the financial statements

For the year ended 31 March 2016

2. Accounting policies (continued)

2.6 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 comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the income statement.

2.7 Investments

Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

Other investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.8 Operating leases

Rentals under operating leases are charged to the income statement 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.

2.9 Stocks and work in progress

Stocks and work in progress 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.

Notes to the financial statements

For the year ended 31 March 2016

2. Accounting policies (continued)

2.10 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 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.

2.11 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.

2.12 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.

2.13 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.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the financial statements

For the year ended 31 March 2016

2. Accounting policies (continued)

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.16 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

For the year ended 31 March 2016

2. Accounting policies (continued)

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.20 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.21 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.23 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

Notes to the financial statements

For the year ended 31 March 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimate have been made include:

- Provision made against stock - management review stock on a line by line basis to determine whether any impairment is required.
- Provision made against bad debts - in relation to the decision on whether to provide for outstanding debtors, management make decisions on a case by case basis in assessing individual debtor recoverability.
- Valuation of derivative financial statements - management have valued derivative financial instruments based on the valuation provided by third party experts.

4. Turnover

Analysis of turnover by country of destination:

	2016 £000	2015 £000
United Kingdom	269,368	222,502
Rest of European Union	1,446	1,055
Rest of world	227	232
	<u>271,041</u>	<u>223,789</u>

5. Other operating income

	2016 £000	2015 £000
Other operating income	-	10
	<u>-</u>	<u>10</u>

Notes to the financial statements

For the year ended 31 March 2016

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets	925	929
Amortisation of intangible assets, including goodwill	663	659
Operating lease rentals:		
- plant and machinery	103	97
- other operating leases	470	104
Difference on foreign exchange	(834)	(525)
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2016 £000	2015 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	6	5
Fees payable to the company's auditor and its associates in respect of:		
Other services supplied pursuant to such legislation	63	61
Other services relating to taxation	14	13
Tax advisory	50	-
Other advisory	5	-
	<u> </u>	<u> </u>

The fees for other services of £63,000 (2015 - £61,000) represent audit fees for the company's subsidiaries.

Notes to the financial statements

For the year ended 31 March 2016

8. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2016 £000	2015 £000
Wages and salaries	14,208	13,344
Social security costs	1,433	1,384
Cost of defined contribution scheme	526	546
	<u>16,167</u>	<u>15,274</u>

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

	2016 No.	2015 No.
Selling and distribution staff	141	195
Administrative staff	173	126
	<u>314</u>	<u>321</u>

9. Directors' remuneration

	2016 £000	2015 £000
Remuneration	838	497
Company pension contributions to defined contribution pension schemes	63	60
	<u>901</u>	<u>557</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £404,000 (2015 - £289,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £42,000 (2015 - £40,000).

The Directors are also the key management personnel of the group.

Notes to the financial statements

For the year ended 31 March 2016

10. Exceptional items

	2016 £000	2015 £000
Acquisition related restructuring costs	487	1,559
	<u>487</u>	<u>1,559</u>

11. Interest receivable

	2016 £000	2015 £000
Other interest receivable	-	1
	<u>-</u>	<u>1</u>

12. Interest payable

	2016 £000	2015 £000
On bank loans and overdrafts	502	325
Dividends paid on shares classed as debt	200	83
	<u>702</u>	<u>408</u>

13. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	1,213	108
Adjustments in respect of previous periods	37	50
Total current tax	<u>1,250</u>	<u>158</u>
Deferred tax		
Origination and reversal of timing differences	92	69
Effect of tax rate change on opening balance	16	(185)
Adjustments in respect of prior periods	35	(41)
Total deferred tax	<u>143</u>	<u>(157)</u>
Taxation on profit on ordinary activities	<u>1,393</u>	<u>1</u>

Notes to the financial statements

For the year ended 31 March 2016

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	5,824	(1,989)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	1,165	(417)
Effects of:		
Fixed asset differences	33	152
Income not taxable for tax purpose	(57)	(2)
Adjustments to brought forward values	55	-
Expenses not deductible for tax	78	57
Losses carried back	-	42
Other deductions for tax purposes	(85)	9
Goodwill amortisation on consolidation	115	138
Chargeable gains/(losses)	6	-
Adjustments to tax charge in respect of previous periods - deferred tax	16	-
Adjustments to tax charge in respect of previous periods	37	50
Adjust closing deferred tax to average rate of 20%	37	10
Deferred tax not recognised	(7)	(38)
Total tax charge for the year	1,393	1

14. 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 2016 is 248.9 pence (2015 - loss per share of 112.1 pence) and diluted earnings per share for 2016 is 202.8 pence (2015 - loss per share of 83.0 pence). The calculation of basic and diluted earnings per ordinary share is based upon the following data:

Notes to the financial statements

For the year ended 31 March 2016

	2016 No.	2015 No.
Basic weighted average number of shares	<u>1,780,141</u>	<u>1,774,610</u>
	2016 No.	2015 No.
Weighted average number of shares for the purposes of diluted earnings per share	<u>2,283,617</u>	<u>2,296,473</u>
	2016 No.	2015 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	1,780,141	1,774,610
Share options in issue for the whole year (see note 25)	125,000	165,000
Weighted average number of ordinary B shares in issue during the year	98,977	84,575
Weighted average number of ordinary C shares in issue during the year	49,499	42,288
Preferred shares	230,000	230,000
Weighted average number of shares for the purposes of diluted earnings per share	<u>2,283,617</u>	<u>2,296,473</u>

Notes to the financial statements

For the year ended 31 March 2016

15. Intangible assets

Group

Goodwill
£000

Cost

At 1 April 2015

13,296

At 31 March 2016

13,296

Amortisation

At 1 April 2015

4,595

Charge for the year

663

At 31 March 2016

5,258

Net book value

At 31 March 2016

8,038

At 31 March 2015

8,701

Notes to the financial statements

For the year ended 31 March 2016

16. Tangible fixed assets

Group

	Freehold property £000	S/Term Leasehold Property £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation					
At 1 April 2015	5,559	1,975	194	6,408	14,136
Additions	7	507	19	1,260	1,793
Disposals	-	-	-	(6)	(6)
At 31 March 2016	<u>5,566</u>	<u>2,482</u>	<u>213</u>	<u>7,662</u>	<u>15,923</u>
Depreciation					
At 1 April 2015	150	1,775	125	4,963	7,013
Charge owned for the period	-	163	27	735	925
At 31 March 2016	<u>150</u>	<u>1,938</u>	<u>152</u>	<u>5,698</u>	<u>7,938</u>
Net book value					
At 31 March 2016	<u>5,416</u>	<u>544</u>	<u>61</u>	<u>1,964</u>	<u>7,985</u>
At 31 March 2015	<u>5,409</u>	<u>200</u>	<u>69</u>	<u>1,445</u>	<u>7,123</u>

Included in Freehold Property is freehold land and buildings at valuation of £5,000,000 (2015 - £5,000,000), (cost £700,000 (2015 - £700,000)) which is not depreciated.

Notes to the financial statements

For the year ended 31 March 2016

17. Fixed asset investments

Group

Other fixed
asset
investments
£000

Cost or valuation

At 1 April 2015	100
Additions	6
At 31 March 2016	106

Net book value

At 31 March 2016	106
At 31 March 2015	100

Company

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	
Bibendum Wine Limited	UK	Ordinary	100%	
Mixbury Trading Company Limited***	UK	Ordinary	100%	
The Yorkshire Fine Wine Company Limited***	UK	Ordinary	100%	
Instil Drinks Company Limited***	UK	Ordinary	100%	
European Wine Partnership LLP ***	UK	Ordinary	70%	
The Wondering Wine Company Limited	UK	Ordinary	100%	
PLB Group Limited	UK	Ordinary	100%	
Walker & Wodehouse Wines Limited	UK	Ordinary	100%	

*** Held by Bibendum Wine Limited

Investments
in subsidiary
companies

£000

Notes to the financial statements

For the year ended 31 March 2016

17. Fixed asset investments (continued)**Cost or valuation**

At 1 April 2015	27,931
At 31 March 2016	27,931

Net book value

At 31 March 2016	27,931
At 31 March 2015	27,931

18. Stocks

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Finished goods and goods for resale	26,003	25,257	-	-
	26,003	25,257	-	-

19. Debtors

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Trade debtors	45,957	46,881	-	-
Amounts owed by group undertakings	-	-	231	231
Corporation tax repayable	-	116	-	-
Other debtors	1,553	502	99	-
Prepayments and accrued income	1,421	1,565	-	-
Financial instruments	538	-	-	-
	49,469	49,064	330	231

Included within other debtors is £153,000 (2015 - £153,000) amounts receivable from the Employee Benefit Trust in more than one year.

Notes to the financial statements

For the year ended 31 March 2016

20. Cash and cash equivalents

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Cash at bank and in hand	3,724	4,390	5	47
Less: bank overdrafts	(21,525)	(19,590)	-	-
	(17,801)	(15,200)	5	47

21. Creditors: Amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bank overdrafts	21,525	19,590	-	-
Trade creditors	37,364	35,280	-	-
Amounts owed to group undertakings	-	-	6,952	6,745
Corporation tax	896	365	-	-
Taxation and social security	1,848	2,594	-	-
Other creditors	355	1,298	-	-
Accruals and deferred income	8,046	13,042	40	42
Financial instruments	-	1,227	-	-
	70,034	73,396	6,992	6,787

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.

22. Creditors: Amounts falling due after more than one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Share capital treated as debt	2,000	2,000	2,000	2,000
	2,000	2,000	2,000	2,000

Notes to the financial statements

For the year ended 31 March 2016

23. Financial instruments

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Financial assets				
Financial assets measured at fair value through profit or loss	538	-	-	-
Financial assets that are debt instruments measured at amortised cost	51,234	51,773	335	278
	<u>51,772</u>	<u>51,773</u>	<u>335</u>	<u>278</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(59,244)	(56,168)	(8,992)	(8,787)
Derivative financial instruments measured at fair value through profit or loss	-	(1,227)	-	-
	<u>(59,244)</u>	<u>(57,395)</u>	<u>(8,992)</u>	<u>(8,787)</u>

Financial assets measured at fair value through profit or loss comprise derivative financial instruments.

Financial assets measured at amortised cost comprise cash and bank in hand, trade debtors and other debtors.

Financial Liabilities measured at amortised cost comprise bank overdrafts, trade creditors and other creditors.

Derivative financial instruments measured at fair value through profit or loss comprise derivative financial instruments.

24. Deferred taxation**Group**

	Deferred tax £000
At 1 April 2015	(26)
Charged to the profit or loss	(143)
At 31 March 2016	<u>(169)</u>

Notes to the financial statements

For the year ended 31 March 2016

The provision for deferred taxation is made up as follows:

	Group 2016 £000	Group 2015 £000
Accelerated capital allowances	(77)	(37)
Tax losses carried forward	303	276
Other timing differences	-	130
On revaluation of property	(395)	(395)
	<u>(169)</u>	<u>(26)</u>

25. Share capital

	2016 £000	2015 £000
Shares classified as equity		
Allotted, called up and fully paid		
1,819,264 (2015 - 1,779,264) ordinary A shares of £1 each	1,819	1,779
100,000 (2015 - 94,000) ordinary B shares of £0.10 each	10	9
50,000 (2015 - 47,000) ordinary C shares of £0.10 each	5	5
	<u>1,834</u>	<u>1,793</u>
Shares classified as debt		
Allotted, called up and fully paid		
2,000,000 Preference shares of £1 each	2,000	2,000

During the year 30,229 ordinary A shares were issued at £1 per share and 9,771 ordinary A shares were issued at £7 per share.

During the year 6,000 ordinary B shares were issued at £0.10 per share and 3,000 ordinary C shares were issued at £0.10 per share giving rise to an increase in share capital of £1,000.

The 2,000,000 £1 preference shares do not carry voting rights. The shares are entitled to a fixed cumulative preferential dividend of 10% per annum. In circumstances where the exit hurdle (as defined in the articles of association) has been met the preferred shares convert to 230,000 if an exit hurdle is met, if not they convert to 215,000 ordinary shares. The exit hurdle was met post year end and the shares were converted.

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

Notes to the financial statements

For the year ended 31 March 2016

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
30 March 2012	30 March 2022	£7.00	40,000

26. Reserves

Share premium

Includes any premiums received on issue of share capital.

Revaluation reserve

Includes all current and prior period movements in property held at a valuation.

Profit & loss account

Includes all current and prior period retained profit and losses.

27. Dividends

	2016 £000	2015 £000
Dividends paid on equity capital		
Dividends paid on equity capital	622	549
Dividends paid on shares classed as debt		
Balance of dividends paid on shares classed as debt	200	83
Total dividend paid	<u>822</u>	<u>632</u>

28. Minority interests

	2016 £000	2015 £000
Equity		
At 1 April 2015	(65)	(56)
Proportion of profit/(loss) after taxation for the year	-	(9)
Purchased during the year	65	-
At 31 March 2016	<u>-</u>	<u>(65)</u>

Notes to the financial statements

For the year ended 31 March 2016

29. 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 £526,000 (2015 - £546,000). Contributions totalling £73,141 (2015- £48,175) were payable to the fund at the balance sheet date and are included in other creditors.

30. Operating lease commitments

At 31 March 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £000	Group 2015 £000		
Land and buildings				
Within 1 year	539	161		
Between 2 and 5 years	690	282		
After more than 5 years	-	-		
	1,229	443		
	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Other				
Within 1 year	58	93	-	-
Between 2 and 5 years	44	80	-	-
After more than 5 years	-	-	-	-
Total	102	173	-	-

The company has no non-cancellable operating leases.

31. Other financial commitments

At 31 March 2016, the group had entered into forward foreign exchange purchase contracts with a value amounting to £11,994,000 (2015 - £50,796,000).

A general removal bond and duty deferment in favour of HMRC for £1,410k (2015: £1,410k) is in place, this is secured by PLB Group Limited, a subsidiary of the group.

Notes to the financial statements

For the year ended 31 March 2016

32. Related party transactions

An amount of £153,000 (2015 - £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, £nil (2015 - £nil) is due from a director to the Employee Benefit Trust.

The company has taken advantage of the exemption in FRS 102 from disclosing transactions with wholly owned members of the Bibendum group.

33. Post balance sheet events

Post year end, on 20 May 2016, the entire ordinary share capital of the company was purchased by Conviviality Plc.

Notes to the financial statements

For the year ended 31 March 2016

34. Transition to FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2014

	Group £000	Company £000
Equity at 1 April 2014 under previous UK GAAP	20,488	20,013
Fair value of forward contracts	(345)	-
Deferred tax on forward contracts	90	-
Holiday pay accrual	(105)	-
Equity shareholders funds at 1 April 2014 under FRS 102	20,128	20,013

Reconciliation of equity at 31 March 2015

	Group £000	Company £000
Equity at 31 March 2015 under previous UK GAAP	20,710	19,422
Fair value of forward contracts	(1,227)	-
Deferred tax on forward contracts	275	-
Deferred tax on revaluation of tangible fixed assets	(395)	-
Holiday pay accrual	(150)	-
Equity shareholders funds at 31 March 2015 under FRS 102	19,213	19,422

Reconciliation of profit and loss account for the ended 31 March 2015

	Group £000	Company £000
Loss for the year under previous UK GAAP	(1,248)	84
Fair value of forward contracts	(883)	-
Deferred tax on forward contracts	185	-
Holiday pay accrual	(44)	-
Loss for the year under FRS 102	(1,990)	84

Notes to the financial statements

For the year ended 31 March 2016

34. Transition to FRS 102 (continued)

The following were changes in accounting policies arising from the transition to FRS 102:

Derivatives

Derivatives, being forward foreign currency contracts, are accounted for at fair value through the statement of comprehensive income and recognised on the Statement of Financial Position under FRS 102. These contracts were not recognised under previous UK GAAP. This has also resulted in an additional deferred tax asset being recognised.

Holiday pay accrual

Under previous UK GAAP the group did not accrue for holiday pay that was earned but the holiday entitlement was expected to be taken in the subsequent financial year. Under FRS 102, the group is required to accrue for all short-term absences as holiday entitlement earned but not taken at the date of the statement of financial position.

Deferred tax on revaluation of tangible fixed assets

Under previous UK GAAP the group did not recognise deferred tax arising on revaluation of tangible fixed assets. Under FRS 102 this deferred tax is required to be recognised in other comprehensive income.