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Registered number: 02190816

BERKMANN WINE CELLARS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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COMPANIES HOUSE

BERKMANN WINE CELLARS LIMITED

COMPANY INFORMATION

DIRECTORS	J K Berkmann	Founder President
	K D Calnan	Deputy Chairman
	R A Berkmann	Managing Director
	N R Vimala-Raj	Finance Director
	W P Lowe	Chairman
	D Changela	
	J B Kay	
	B Ricard	
	M Canard	
	A Hunt	
	P J Osborne	
COMPANY SECRETARY	K D Calnan	
COMPANY NUMBER	02190816	
REGISTERED OFFICE	10-12 Brewery Road London N7 9NH	
AUDITORS	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor Portwall Place Portwall Lane Bristol BS1 6NA	
BANKERS	National Westminster Bank plc 3 Upper Street Islington London N1 0QF	
SOLICITORS	Lawrence Stephens 93 Wigmore Street London W1U 1HH	

BERKMANN WINE CELLARS LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and the financial statements for the year ended 31 March 2011

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year was that of wine merchant and importer The directors are satisfied with the performance of the company during the year

The results for the year show a pre-tax profit of £279,330 (2010 loss of £173,129) and sales for the year of £38,113,845 (2010 £39,810,227)

On 7 April 2010, Berkmann Wine Cellars India PVT Limited was sold to D Changela, a director of Berkmann Wine Cellars Limited, for consideration of £1

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategies are subject to a number of risks including competition from both national and regional wine merchants, stock availability, foreign exchange movements and the challenging economic conditions

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business, other than those disclosed above.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objectives of the company in relation to financial instruments are set by the board of directors with a view to minimising its exposure to price risk, exchange risk, credit risk, liquidity risk and cash flow risk The use of derivative instruments will be considered to mitigate risks or enhance returns, subject to strict control of exposures, however no derivatives were used during the year Forward contracts were used in the year to mitigate against exchange risk

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £209,706 *(2010 - loss £93,382)*

DIVIDEND

A dividend of £104,822 (2010 £nil) was paid in the year

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

DIRECTORS

The directors who served during the year were

J K Berkmann	Founder President
K D Calnan	Deputy Chairman
R A Berkmann	Managing Director
N R Vimala-Raj	Finance Director
W P Lowe	Chairman
D Changela	
J B Kay	
B Ricard	
M Canard	
A Hunt	
P J Osborne (appointed 15 September 2010)	
A Laird-Craig (resigned 7 April 2010)	

PROVISION OF INFORMATION TO AUDITORS

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's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 19th January 2011 and signed on its behalf



K D Calnan
Company Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKMANN WINE CELLARS LIMITED

We have audited the financial statements of Berkmann Wine Cellars Limited for the year ended 31 March 2011, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 Auditing Practices Board's website at www frc org uk/apb/scope/private cfm

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKMANN WINE CELLARS 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

Jonathan Talbot (Senior statutory auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants & Statutory Auditor

Portwall Place
Portwall Lane
Bristol
BS1 6NA
Date 19 December 2011

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
TURNOVER	1,2	**38,113,845**	*39,810,227*
Cost of sales		**(29,514,992)**	*(31,019,283)*
GROSS PROFIT		**8,598,853**	*8,790,944*
Administrative expenses		**(8,106,696)**	*(8,554,771)*
OPERATING PROFIT	3	**492,157**	*236,173*
Restructuring costs	7	**-**	*(217,152)*
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		**492,157**	*19,021*
Loss on disposal of investment		**(30,854)**	-
Interest payable and similar charges	6	**(181,973)**	*(192,150)*
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**279,330**	*(173,129)*
Tax on profit/(loss) on ordinary activities	8	**(69,624)**	*79,747*
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	18	**209,706**	*(93,382)*

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 9 to 21 form part of these financial statements

BERKMANN WINE CELLARS LIMITED
REGISTERED NUMBER 02190816

BALANCE SHEET
AS AT 31 MARCH 2011

	Note	£	2011 £	£	*2010 £*
FIXED ASSETS					
Intangible assets	9		**62,344**		*189,091*
Tangible assets	10		**363,784**		*498,395*
Investments	11		**1,855,329**		*1,886,183*
			2,281,457		*2,573,669*
CURRENT ASSETS					
Stocks	12	**6,293,458**		*5,569,446*	
Debtors	13	**8,350,932**		*8,887,589*	
Cash in hand		**385,703**		*637,882*	
		15,030,093		*15,094,917*	
CREDITORS: amounts falling due within one year	14	**(9,596,614)**		*(10,358,534)*	
NET CURRENT ASSETS			**5,433,479**		*4,736,383*
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,714,936**		*7,310,052*
CREDITORS: amounts falling due after more than one year	15		**(300,000)**		-
NET ASSETS			**7,414,936**		*7,310,052*
CAPITAL AND RESERVES					
Called up share capital	17		**2,160,000**		*2,160,000*
Share premium account	18		**100,000**		*100,000*
Other reserves	18		**500,000**		*500,000*
Profit and loss account	18		**4,654,936**		*4,550,052*
SHAREHOLDERS' FUNDS	19		**7,414,936**		*7,310,052*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19/12/11

N R Vimala-Raj
Finance Director

K D Calnan
Deputy Chairman

The notes on pages 9 to 21 form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	21	**(25,011)**	*746,583*
Returns on investments and servicing of finance	22	**(181,973)**	*(192,150)*
Taxation		**158,556**	-
Capital expenditure and financial investment	22	**(28,624)**	*1,946*
Acquisitions and disposals	22	**-**	*(50,000)*
Equity dividends paid		**(104,822)**	-
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		**(181,874)**	*506,379*
Financing	22	**(300,000)**	*(500,000)*
(DECREASE)/INCREASE IN CASH IN THE YEAR		**(481,874)**	*6,379*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
(Decrease)/Increase in cash in the year	**(481,874)**	*6,379*
Cash outflow from bank and other loans	**300,000**	*500,000*
MOVEMENT IN NET DEBT IN THE YEAR	**(181,874)**	*506,379*
Net debt at 1 April 2010	**(3,577,662)**	*(4,084,041)*
NET DEBT AT 31 MARCH 2011	**(3,759,536)**	*(3,577,662)*

The notes on pages 9 to 21 form part of these financial statements

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The directors continue to be confident that the company has adequate resources to continue operations for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

1.2 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

1.3 Goodwill

Goodwill arising on the acquisition of a business is capitalised as an intangible asset

Amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over the economic life of that asset as follows

Amortisation is provided at the following rates

Goodwill	-	20% straight line

Trademarks are stated at cost and amortised in equal annual instalments over their estimated useful lives of five to ten years

1.4 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

Short leasehold property	-	over term of lease
Plant & equipment	-	10 - 25% straight line
Fixtures, fittings and office equipment	-	10% straight line

Works of art are not being depreciated in the financial statements In the opinion of the directors, the useful economic life of these assets is so long that any depreciation charge would be insignificant Regular impairment reviews are carried out on these assets and should any impairment in value occur, full provision will be made in the financial statements

1.5 Investments

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

1.6 Operating leases

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

1. ACCOUNTING POLICIES (continued)

1 7 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items Cost represents purchase cost, inclusive of import duties, freight and handling charges where appropriate

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes The deferred tax balance has not been discounted

1.9 Foreign currencies

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 rate of exchange ruling at the date of the transaction Exchange differences are taken into account in arriving at the operating result

1.10 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

1.11 Consolidation

At the end of the year the company was under the control of another company incorporated in the United Kingdom which prepares consolidated financial statements As a result, in accordance with section 400 of the Companies Act 2006, the company is not required to produce, and has not produced consolidated financial statements

The financial statements present information about Berkmann Wine Cellars Limited as an individual undertaking and not about its group

2. TURNOVER

The turnover and result before tax are attributable to the one principal business activity of the company

Turnover excludes additional sales of £1,888,960 (2010 £2,088,894) where the company acts as commission agent only

In the directors' opinion, disclosure of the geographical analysis of turnover would be prejudicial to the company's interests and has therefore been omitted

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation - intangible fixed assets	**126,747**	*130,491*
Depreciation of tangible fixed assets		
- owned by the company	**164,035**	*200,756*
Auditors' remuneration	**21,450**	*21,360*
Auditors' remuneration - non-audit	**12,065**	*5,640*
Difference on foreign exchange	**(10,083)**	*(32,421)*
(Profit)/loss on sale of tangible assets	**(800)**	*24,859*
Operating lease rentals		
vehicles	**287,868**	*250,404*
other	**31,991**	*31,906*
land & buildings	**528,520**	*463,320*

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	**4,538,601**	*4,781,149*
Social security costs	**472,508**	*474,100*
Other pension costs	**131,254**	*179,113*
	5,142,363	*5,434,362*

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

	2011 No.	2010 No
Sales and distribution	**157**	*174*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

5. DIRECTORS' REMUNERATION

	2011 £	*2010 £*
Emoluments	**807,782**	*995,244*
Company pension contributions to defined contribution pension schemes	**66,297**	*85,929*

During the year retirement benefits were accruing to 8 directors *(2010 - 9)* in respect of defined contribution pension schemes

The highest paid director received remuneration of £99,556 *(2010 - £143,916)*

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,365 *(2010 - £NIL)*

Included within directors' remuneration is £10,000 (2010 - £73,027) relating to compensation for loss of office

6. INTEREST PAYABLE

	2011 £	*2010 £*
On bank loans and overdrafts	**181,973**	*192,150*

7 RESTRUCTURING COSTS

	2011 £	*2010 £*
Restructuring costs	**-**	*217,152*

The restructuring costs relate to redundancy payments made as a result of division closures and reorganisation

8. TAXATION

	2011 £	2010 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit/(loss) for the year	**69,624**	-
Adjustments in respect of prior periods	**-**	*(51,508)*
Total current tax	**69,624**	*(51,508)*
Deferred tax (see note 16)		
Origination and reversal of timing differences	**-**	*(28,239)*
Tax on profit/(loss) on ordinary activities	**69,624**	*(79,747)*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2010 - higher than)* the standard rate of corporation tax in the UK of 28% *(2010 - 28%)* The differences are explained below

	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	**279,330**	*(173,129)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% *(2010 - 28%)*	**78,212**	*(48,476)*
Effects of		
Expenses not deductible for tax purposes	**29,753**	*30,207*
Depreciation in excess of capital allowances	**9,256**	*19,788*
Utilisation of tax losses and other deductions	**(39,537)**	-
Adjustments to tax charge in respect of prior periods	**-**	*(51,508)*
Other short term timing differences	**197**	*8,275*
Unrelieved tax losses and other deductions	**-**	*(9,794)*
Marginal relief	**(8,257)**	-
Current tax charge/(credit) for the year (see note above)	**69,624**	*(51,508)*

Factors that may affect future tax charges

The company has tax losses of approximately £nil (2010 £120,000) available to carry forward

9. INTANGIBLE FIXED ASSETS

	Trademarks £	Goodwill £	Total £
Cost			
At 1 April 2010 and 31 March 2011	**46,660**	**611,539**	**658,199**
Amortisation			
At 1 April 2010	**10,453**	**458,655**	**469,108**
Charge for the year	**4,439**	**122,308**	**126,747**
At 31 March 2011	**14,892**	**580,963**	**595,855**
Net book value			
At 31 March 2011	**31,768**	**30,576**	**62,344**
At 31 March 2010	*36,207*	*152,884*	*189,091*

10. TANGIBLE FIXED ASSETS

	Short leasehold property £	Plant & equipment £	Furniture, fittings and office equipment £	Works of art £	Total £
Cost					
At 1 April 2010	**22,970**	**899,738**	**1,037,125**	**51,373**	**2,011,206**
Additions	**-**	**26,594**	**1,553**	**1,277**	**29,424**
Disposals	**-**	**(16,804)**	**-**	**-**	**(16,804)**
At 31 March 2011	**22,970**	**909,528**	**1,038,678**	**52,650**	**2,023,826**
Depreciation					
At 1 April 2010	**15,037**	**755,507**	**742,267**	**-**	**1,512,811**
Charge for the year	**1,536**	**85,295**	**77,204**	**-**	**164,035**
On disposals	**-**	**(16,804)**	**-**	**-**	**(16,804)**
At 31 March 2011	**16,573**	**823,998**	**819,471**	**-**	**1,660,042**
Net book value					
At 31 March 2011	**6,397**	**85,530**	**219,207**	**52,650**	**363,784**
At 31 March 2010	*7,933*	*144,231*	*294,858*	*51,373*	*498,395*

11. INVESTMENTS

	Shares in group undertakings £
Cost or valuation	
At 1 April 2010	**1,886,183**
Disposals	**(30,854)**
At 31 March 2011	**1,855,329**
Net book value	
At 31 March 2011	**1,855,329**
At 31 March 2010	*1,886,183*

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding	Aggregate of share capital and reserves £
Spirit Cartel Limited (dormant)	Ordinary shares	100%	-
T M Robertson & Son Limited (dormant)	Ordinary shares	100%	**2,313**
Churchill Vintners Limited (dormant)	Ordinary shares	100%	**10,000**
			12,313

12. STOCKS

	2011 £	*2010 £*
Finished goods	**6,293,458**	*5,569,446*

13. DEBTORS

	2011 £	2010 £
Trade debtors	**7,206,326**	*7,677,046*
Amounts owed by group undertakings	**462,860**	*436,529*
Corporation tax repayable	**-**	*158,556*
Other debtors	**244,278**	*167,950*
Prepayments and accrued income	**437,468**	*447,508*
	8,350,932	*8,887,589*

Included within amounts owed by group undertakings is £462,860 (2010 - £106,190) falling due after more than one year

14. CREDITORS
Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	**3,845,239**	*4,215,544*
Trade creditors	**3,911,179**	*4,786,514*
Corporation tax	**69,624**	*-*
Social security and other taxes	**770,156**	*563,282*
Amounts owed to group undertakings	**12,313**	*12,313*
Other creditors	**201,219**	*205,787*
Accruals and deferred income	**786,884**	*575,094*
	9,596,614	*10,358,534*

Bank loans and overdrafts are secured by a specific equitable charge over all properties, and fixed and floating charges over the undertaking and all property and assets present and future, including goodwill, book debts and the benefit of any licences Counter indemnities are held in respect of VAT duty deferment bonds

Trade creditor and trade debtor balances exclude amounts of £245,288 (2010 £763,133) in respect of sales made by the company's suppliers to its customers on a "del credere" agency basis

The company was party to three (2010 six) forward exchange contracts at the year end In the directors' opinion the fair value of the financial instruments are not materially different to their book values at 31 March 2011

The bank loans are repayable in equal monthly instalments and incur interest at 1 5% above the bank base rate Group and other loans are interest free and have no fixed terms of repayment

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

15. CREDITORS

Amounts falling due after more than one year

	2011 £	*2010 £*
Bank loans	**300,000**	-

Included within the above are amounts falling due as follows

	2011 £	*2010 £*
Between one and two years		
Bank loans	**300,000**	-

16. DEFERRED TAXATION

	2011 £	*2010 £*
At beginning of year	-	*28,239*
Released during year	-	*(28,239)*
At end of year	-	-

A deferred tax asset of £41,039 (2010 £52,974) in respect of tax losses remained unprovided at the end of the year

17 SHARE CAPITAL

	2011 £	*2010 £*
Allotted, called up and fully paid		
2,160,000 Ordinary shares of £1 each	**2,160,000**	*2,160,000*

18 RESERVES

	Share premium account £	Other reserves £	Profit and loss account £
At 1 April 2010	**100,000**	**500,000**	**4,550,052**
Profit for the year	-	-	**209,706**
Dividends Equity capital	-	-	**(104,822)**
At 31 March 2011	**100,000**	**500,000**	**4,654,936**

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Opening shareholders' funds	**7,310,052**	*7,403,434*
Profit/(loss) for the year	**209,706**	*(93,382)*
Dividends (Note 20)	**(104,822)**	-
Closing shareholders' funds	**7,414,936**	*7,310,052*

20. DIVIDENDS

	2011	2010
	£	£
Dividends paid on equity capital	**104,822**	-

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	**492,157**	*236,173*
Exceptional items	**-**	*(217,152)*
Amortisation of intangible fixed assets	**126,747**	*130,491*
Depreciation of tangible fixed assets	**164,035**	*200,756*
(Profit)/loss on disposal of tangible fixed assets	**(800)**	*24,859*
(Increase)/decrease in stocks	**(724,012)**	*743,799*
Decrease in debtors	**404,432**	*1,340,581*
Increase in amounts owed by group undertakings	**(26,331)**	-
Decrease in creditors	**(461,239)**	*(1,712,924)*
Net cash (outflow)/inflow from operating activities	**(25,011)**	*746,583*

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest paid	**(181,973)**	*(192,150)*

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	**-**	*(2,954)*
Purchase of tangible fixed assets	**(29,424)**	*(18,600)*
Sale of tangible fixed assets	**800**	*23,500*
Net cash (outflow)/inflow from capital expenditure	**(28,624)**	*1,946*

	2011 £	2010 £
Acquisitions and disposals		
Purchase of fixed asset investments	**-**	*(50,000)*

	2011 £	2010 £
Financing		
Repayment of loans	**(300,000)**	*(300,000)*
Repayment of other loans	**-**	*(200,000)*
Net cash outflow from financing	**(300,000)**	*(500,000)*

23. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2010 £	Cash flow £	Other non-cash changes £	31 March 2011 £
Cash at bank and in hand	**637,882**	**(252,179)**	**-**	**385,703**
Bank overdraft	**(3,315,544)**	**(229,695)**	**-**	**(3,545,239)**
	(2,677,662)	**(481,874)**	**-**	**(3,159,536)**
Debt				
Debts due within one year	**(900,000)**	**300,000**	**300,000**	**(300,000)**
Debts falling due after more than one year	**-**	**-**	**(300,000)**	**(300,000)**
Net debt	**(3,577,662)**	**(181,874)**	**-**	**(3,759,536)**

24. CONTINGENT LIABILITIES

The company is party to an unlimited multilateral guarantee between all group companies in favour of The Royal Bank of Scotland plc At 31 March 2011, the liability to the bank under this guarantee was £3,166,591 (2010 £2,684,410)

The company has a guarantee in favour of HM Customs and Excise which varies according to seasonal requirements At 31 March 2011 this guarantee stood at £1,730,000 (2009 £1,730,000)

Following the acquisition of the business and assets of Vinoceros Limited on 18 June 2008, the company has a year end contingent liability in respect of deferred contingent consideration of up to £250,000

The contingent consideration is dependent upon the acquired business generating quarterly net profits which it has yet to achieve Consequently the contingent consideration has not been recognised as a liability of the company

25 PENSION COMMITMENTS

The pension cost charge represents contributions payable by the company to the fund and amounted to £127,136 (2010 - £179,113) Contributions totalling £nil (2009 - £nil) were payable to the fund at the balance sheet date

26 OPERATING LEASE COMMITMENTS

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	*2010*	**2011**	*2010*
	£	*£*	**£**	*£*
Expiry date				
Within 1 year	**35,520**	-	**33,798**	*82,479*
Between 2 and 5 years	**130,560**	*112,770*	**225,852**	*179,772*
After more than 5 years	**301,616**	*350,550*	**1,354**	-

27. RELATED PARTY TRANSACTIONS

At 31 March 2011 a non-trading balance of £2,313 (2010 £2,313) was due to T M Robertson & Son Limited, a subsidiary undertaking

At 31 March 2011 £462,860 (2010 £106,192) was due from Berkmann Family Holdings Limited, the parent undertaking, in respect of a general non-trading account

At 31 March 2011, a non-trading balance of £10,000 (2010 £10,000) was due to Churchill Vintners Limited, a subsidiary undertaking

On 7 April 2010 Berkmann Wine Cellars India PVT Limited was sold to D Changela, a director of Berkmann Wine Cellars Limited, for consideration of £1

On 21 June 2010 D Changela sold 120,000 Ordinary shares in the company to Berkmann Family Holdings Limited for consideration of £354,870 D Changela used the consideration to repay a loan to the company on behalf of Berkmann Wine Cellars India PVT Limited

Within the year ended 31 March 2011, £29,342 (2010 £20,445) of sales were made to Berkmann Wine Cellars India PVT Limited, a company related by common directorship, in respect of trading activities In addition, £4,425 (2010 £34,891) of credit notes were raised during the year At 31 March 2011, the company was owed £10,597 (2010 £96,866) by Berkmann Wine Cellars India PVT Limited

During the prior year ended 31 March 2010 the company repaid a £200,000 loan to E Berkmann, a close related party of a director of the company No interest was charged on the loan

Dividends paid to Berkmann Family Holdings Limited totalled £100,000 (2010 £nil) Dividends of £4,822 (2010 £nil) were paid to directors of the company

During the year, consultancy fees of £14,340 (2010 £nil) were paid to Dinesh Changela, a director of the company

28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Berkmann Family Holdings Limited The ultimate parent company is Camazet Stiftung, a foundation incorporated in Panama and administered by Centrapriv of Zurich, a subsidiary of the United Bank of Switzerland Copies of the group financial statements of Berkmann Family Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ Financial statements for the ultimate parent company are not available

In the opinion of the directors there is no one ultimate controlling party