
BERKMANN WINE CELLARS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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BERKMANN WINE CELLARS LIMITED

COMPANY INFORMATION

DIRECTORS	J K Berkmann K D Calnan R A Berkmann N R Vimala-Raj W P Lowe D Chagela J B Kay B Ricard M Canard A J Hunt P J Osborne C E Marshall (appointed 18 July 2012)	Founder President Non-Executive Managing Director Finance Director Chairman
COMPANY SECRETARY	S J Clark	
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	Ingram Winter Green Bedford House 21A John Street London WC1N 2BF	

BERKMANN WINE CELLARS LIMITED

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BERKMANN WINE CELLARS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements for the year ended 31 March 2012

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 £482,373 (2011: £279,330) and sales for the year of £37,467,564 (2011: £38,113,845).

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 £367,635 (2011: £209,706).

DIVIDEND

A dividend of £97,200 (2011: £104,822) was paid in the year.

BERKMANN WINE CELLARS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

DIRECTORS

The directors who served during the year were

J K Berkmann
K D Calnan
R A Berkmann
N R Vimala-Raj
W P Lowe
D Changela
J B Kay
B Ricard
M Canard
A J Hunt
P J Osborne

Founder President
Deputy Chairman
Managing Director
Finance Director
Chairman

K D Calnan resigned as a director and deputy chairman on 9 February 2012, but was re-appointed by the company as a Non-Executive Director

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 3 December 2012 and signed on its behalf



R A Berkmann
Managing Director

BERKMANN WINE CELLARS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

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.

BERKMANN WINE CELLARS LIMITED

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

We have audited the financial statements of Berkman Wine Cellars Limited for the year ended 31 March 2012, 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 2012 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.

BERKMANN WINE CELLARS LIMITED

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

3 December 2012

BERKMANN WINE CELLARS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	37,467,564	38,113,845
Cost of sales		<u>(28,660,304)</u>	<u>(29,514,992)</u>
GROSS PROFIT		8,807,260	8,598,853
Administrative expenses		<u>(8,240,670)</u>	<u>(8,106,696)</u>
OPERATING PROFIT	3	566,590	492,157
Loss on disposal of investment		-	<u>(30,854)</u>
Interest payable and similar charges	6	<u>(84,217)</u>	<u>(181,973)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		482,373	279,330
Tax on profit on ordinary activities	7	<u>(114,738)</u>	<u>(69,624)</u>
PROFIT FOR THE FINANCIAL YEAR	17	<u>367,635</u>	<u>209,706</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 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 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Intangible assets	8		1,758,967		62,344
Tangible assets	9		300,136		363,784
Investments	10		3		1,855,329
			<u>2,059,106</u>		<u>2,281,457</u>
CURRENT ASSETS					
Stocks	11	6,466,931		6,293,458	
Debtors	12	8,096,889		8,350,932	
Cash in hand		210,671		385,703	
			<u>14,774,491</u>	<u>15,030,093</u>	
CREDITORS: amounts falling due within one year	13	(9,147,264)		(9,596,614)	
NET CURRENT ASSETS			<u>5,627,227</u>		<u>5,433,479</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,686,333</u>		<u>7,714,936</u>
CREDITORS: amounts falling due after more than one year	14		-		(300,000)
PROVISIONS FOR LIABILITIES					
Deferred tax	15		(962)		-
NET ASSETS			<u>7,685,371</u>		<u>7,414,936</u>
CAPITAL AND RESERVES					
Called up share capital	16		2,160,000		2,160,000
Share premium account	17		100,000		100,000
Other reserves	17		500,000		500,000
Profit and loss account	17		4,925,371		4,654,936
SHAREHOLDERS' FUNDS	18		<u>7,685,371</u>		<u>7,414,936</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 December 2012



R A Berkmann
Managing Director



N R Vimala-Raj
Finance Director

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

BERKMANN WINE CELLARS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	20	1,693,948	(25,011)
Returns on investments and servicing of finance	21	(84,217)	(181,973)
Taxation		(56,024)	158,556
Capital expenditure and financial investment	21	(34,757)	(28,624)
Equity dividends paid		(97,200)	(104,822)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,421,750	(181,874)
Financing	21	(600,000)	(300,000)
INCREASE/(DECREASE) IN CASH IN THE YEAR		821,750	(481,874)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
Increase/(Decrease) in cash in the year	821,750	(481,874)
Cash outflow from bank and other loans	600,000	300,000
MOVEMENT IN NET DEBT IN THE YEAR	1,421,750	(181,874)
Net debt at 1 April 2011	(3,759,536)	(3,577,662)
NET DEBT AT 31 MARCH 2012	(2,337,786)	(3,759,536)

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

BERKMANN WINE CELLARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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	- over 5 - 15 years
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Trademarks are stated at cost and amortised in equal annual instalments over their estimated useful lives of five to ten years

1.4 Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short leasehold property	- over term of lease
Plant & equipment	- 10 - 25% straight line
Furniture, 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

BERKMANN WINE CELLARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES (continued)

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

1.7 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 £1,627,813 (2011: £1,888,960) 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

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Amortisation - intangible fixed assets	158,703	126,747
Depreciation of tangible fixed assets		
- owned by the company	98,505	164,035
Auditors' remuneration	21,615	21,450
Auditors' remuneration - non-audit	11,130	12,065
Difference on foreign exchange	(244,092)	(10,083)
Profit on sale of tangible assets	(100)	(800)
Operating lease rentals		
vehicles	327,480	287,868
other	50,906	31,991
land & buildings	495,469	528,520

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	4,709,917	4,538,601
Social security costs	458,084	472,508
Other pension costs	160,756	131,254
	5,328,757	5,142,363

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

	2012	2011
	No	No
Sales and distribution	156	157

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

5 DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>896,553</u>	<u>807,782</u>
Company pension contributions to defined contribution pension schemes	<u>74,753</u>	<u>66,297</u>

During the year retirement benefits were accruing to 8 directors (2011 - 8) in respect of defined contribution pension schemes

The highest paid director received remuneration, excluding pension contributions, of £103,890 (2011 - £99,556)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,502 (2011 - £9,365)

Included within directors' remuneration is £NIL (2011 - £10,000) relating to compensation for loss of office

6. INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	<u>84,217</u>	<u>181,973</u>

7 TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	100,176	69,624
Adjustments in respect of prior periods	13,600	-
Total current tax	<u>113,776</u>	<u>69,624</u>
Deferred tax (see note 15)		
Origination and reversal of timing differences	962	-
Tax on profit/(loss) on ordinary activities	<u>114,738</u>	<u>69,624</u>

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

7. TAXATION (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>482,373</u>	<u>279,330</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	125,417	78,212
Effects of:		
Expenses not deductible for tax purposes	17,375	29,753
Depreciation in excess of capital allowances	(1,003)	9,256
Utilisation of tax losses and other deductions	-	(39,537)
Adjustments to tax charge in respect of prior periods	(13,600)	-
Other short term timing differences	(88)	197
Marginal relief	(14,325)	(8,257)
Current tax charge for the year (see note above)	<u>113,776</u>	<u>69,624</u>

Factors that may affect future tax charges

The Finance Act 2011 included legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011 and to 25% from April 2012, and its impact is reflected above

The Finance Act 2012 reduces the rate of tax to 24% from 1 April 2012 with further annual reductions proposed of 1% culminating in a rate of 22% on 1 April 2014. The full anticipated effect of these further changes combined with the reductions in the rates of capital allowances is not considered material

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

8. INTANGIBLE FIXED ASSETS

	Trademarks £	Goodwill £	Total £
Cost			
At 1 April 2011	46,660	611,539	658,199
Transfer from investments (note 10)	-	1,855,326	1,855,326
At 31 March 2012	46,660	2,466,865	2,513,525
Amortisation			
At 1 April 2011	14,892	580,963	595,855
Charge for the year	4,438	154,265	158,703
At 31 March 2012	19,330	735,228	754,558
Net book value			
At 31 March 2012	27,330	1,731,637	1,758,967
At 31 March 2011	31,768	30,576	62,344

The transfer made during the year relates to the trade and assets of Spirit Cartel Limited, T M Robertson & Son Limited and Churchill Vintners Limited, which were previously hived up into the company. The value of the investment in subsidiaries has been transferred to goodwill to reflect the value of the subsidiaries trade still within the group.

9. TANGIBLE FIXED ASSETS

	Short leasehold property £	Plant & equipment £	Furniture, fittings and office equipment £	Works of art £	Total £
Cost					
At 1 April 2011	22,970	909,528	1,038,678	52,650	2,023,826
Additions	-	23,725	16,132	400	40,257
Disposals	-	-	-	(5,400)	(5,400)
At 31 March 2012	22,970	933,253	1,054,810	47,650	2,058,683
Depreciation					
At 1 April 2011	16,573	823,998	819,471	-	1,660,042
Charge for the year	1,536	34,811	62,158	-	98,505
At 31 March 2012	18,109	858,809	881,629	-	1,758,547
Net book value					
At 31 March 2012	4,861	74,444	173,181	47,650	300,136
At 31 March 2011	6,397	85,530	219,207	52,650	363,784

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

10. INVESTMENTS

	Shares in group undertakings £
Cost or valuation	
At 1 April 2011	1,855,329
Transfer to goodwill (note 8)	(1,855,326)
At 31 March 2012	3
Net book value	
At 31 March 2012	3
At 31 March 2011	1,855,329

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

During the year, investments of £1,855,326 (2011 - £nil) relating to businesses previously hived up into the company, were transferred to goodwill and amortised. The directors consider this treatment more appropriate.

11. STOCKS

	2012 £	2011 £
Goods for resale	6,466,931	6,293,458

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

12. DEBTORS

	2012 £	2011 £
Trade debtors	6,870,786	7,206,326
Amounts owed by group undertakings	552,235	462,860
Other debtors	279,205	244,278
Prepayments and accrued income	394,663	437,468
	<u>8,096,889</u>	<u>8,350,932</u>

Included within amounts owed by group undertakings is £552,235 (2011 - £462,860) falling due after more than one year

13. CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	2,548,457	3,845,239
Trade creditors	4,724,617	3,911,179
Corporation tax	127,376	69,624
Social security and other taxes	700,755	770,156
Amounts owed to group undertakings	12,313	12,313
Other creditors	13,604	201,219
Accruals and deferred income	1,020,142	786,884
	<u>9,147,264</u>	<u>9,596,614</u>

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.

Bank loans and overdrafts are also secured by a debenture over the company.

Trade creditor and trade debtor balances exclude amounts of £332,977 (2011: £245,288) in respect of sales made by the company's suppliers to its customers on a "del credere" agency basis.

The company was party to eight (2011: three) forward exchange contracts at the year end. In the directors' opinion the fair value of the financial instruments is not materially different to their book values at 31 March 2012.

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

**14 CREDITORS:
Amounts falling due after more than one year**

	2012	2011
	£	£
Bank loans	-	300,000

Included within the above are amounts falling due as follows

	2012	2011
	£	£
Between one and two years		
Bank loans	-	300,000

15. DEFERRED TAXATION

	2012	2011
	£	£
At beginning of year	-	-
Released during year	962	-
At end of year	962	-

The provision for deferred taxation is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	962	-

A deferred tax asset of £11,935 (2011 £41,039) in respect of tax losses remained unprovided at the end of the year

16. SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid		
2,160,000 Ordinary shares of £1 each	2,160,000	2,160,000

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

17 RESERVES

	Share premium account £	Other reserves £	Profit and loss account £
At 1 April 2011	100,000	500,000	4,654,936
Profit for the year	-	-	367,635
Dividends Equity capital	-	-	(97,200)
At 31 March 2012	<u>100,000</u>	<u>500,000</u>	<u>4,925,371</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	7,414,936	7,310,052
Profit for the year	367,635	209,706
Dividends (Note 19)	(97,200)	(104,822)
Closing shareholders' funds	<u>7,685,371</u>	<u>7,414,936</u>

19. DIVIDENDS

	2012 £	2011 £
Dividends paid on equity capital	<u>97,200</u>	<u>104,822</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	566,590	492,157
Amortisation of intangible fixed assets	158,703	126,747
Depreciation of tangible fixed assets	98,505	164,035
Profit on disposal of tangible fixed assets	(100)	(800)
Increase in stocks	(173,473)	(724,012)
Decrease in debtors	343,418	404,432
Increase in amounts owed by group undertakings	(89,375)	(26,331)
Increase/(decrease) in creditors	789,680	(461,239)
Net cash inflow/(outflow) from operating activities	<u>1,693,948</u>	<u>(25,011)</u>

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest paid	(84,217)	(181,973)
	<u>2012</u> £	<u>2011</u> £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(40,257)	(29,424)
Sale of tangible fixed assets	5,500	800
Net cash outflow from capital expenditure	(34,757)	(28,624)
	<u>2012</u> £	<u>2011</u> £
Financing		
Repayment of loans	(600,000)	(300,000)

22. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2011 £	Cash flow £	31 March 2012 £
Cash at bank and in hand	385,703	(175,032)	210,671
Bank overdraft	(3,545,239)	996,782	(2,548,457)
	<u>(3,159,536)</u>	<u>821,750</u>	<u>(2,337,786)</u>
Debt:			
Debts due within one year	(300,000)	300,000	-
Debts falling due after more than one year	(300,000)	300,000	-
Net debt	<u>(3,759,536)</u>	<u>1,421,750</u>	<u>(2,337,786)</u>

23. MAJOR NON-CASH TRANSACTIONS

The investments of £1,855,329 were transferred to goodwill. Further details are in note 10.

BERKMANN WINE CELLARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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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 2012, the liability to the bank under this guarantee was £2,346,201 (2011 £3,166,591)

The company has a guarantee in favour of HM Customs and Excise which varies according to seasonal requirements. At 31 March 2012 this guarantee stood at £1,730,000 (2011 £1,730,000)

25 PENSION COMMITMENTS

The pension cost charge represents contributions payable by the company to the fund and amounted to £160,756 (2011 - £127,136). Contributions totalling £23,508 (2011 - £26,056) were payable to the fund at the balance sheet date.

26. OPERATING LEASE COMMITMENTS

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2012	2011	2012	2011
	£	£	£	£
Expiry date:				
Within 1 year	81,060	35,520	39,975	33,798
Between 2 and 5 years	49,500	130,560	283,165	225,852
After more than 5 years	333,858	301,616	-	1,354

BERKMANN WINE CELLARS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

27. RELATED PARTY TRANSACTIONS

At 31 March 2012 a non-trading balance of £2,313 (2011 £2,313) was due to T M Robertson & Son Limited, a subsidiary undertaking

At 31 March 2012 £552,235 (2011 £462,860) was due from Berkmann Family Holdings Limited, the parent undertaking, in respect of a general non-trading account

At 31 March 2012, a non-trading balance of £10,000 (2011 £10,000) was due to Churchill Vintners Limited, a subsidiary undertaking

Within the year ended 31 March 2012, £8,857 (2011 £29,342) of sales were made to Berkmann Wine Cellars India PVT Limited, a company related by common directorship, in respect of trading activities. In addition, £241 (2011 £4,425) of credit notes were raised during the year. At 31 March 2012, the company was owed £nil (2011 £10,597) by Berkmann Wine Cellars India PVT Limited

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

On 20 March 2012 K Calnan sold 27,500 Ordinary shares in the company to Berkmann Family Holdings Limited for consideration of £89,375

Dividends paid to Berkmann Family Holdings Limited totalled £92,700 (2011 £100,000). Dividends of £4,500 (2011 £4,822) were paid to directors 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. Copies of the group financial statements of Berkmann Family Holdings Limited are available from Companies House, Crown Way, Mandy, 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