

TODAY'S WHOLESALE SERVICES LIMITED

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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TODAY'S WHOLESALE SERVICES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019**

DIRECTORS:	J F Kinney J C Baines D P Goldney A M Thewlis
SECRETARY:	A M Thewlis
REGISTERED OFFICE:	3 Carolina Court Wisconsin Drive Doncaster DN4 5RA
REGISTERED NUMBER:	07727182 (England and Wales)
SENIOR STATUTORY AUDITOR:	Timothy Godson FCA
AUDITORS:	Duncan & Toplis Limited, Statutory Auditor 4 Henley Way Doddington Road Lincoln Lincolnshire LN6 3QR
BANKERS:	Barclays Bank Plc 1 Park Row Leeds LS1 5WU
SOLICITORS:	Wilkin Chapman LLP The Maltings 11-15 Brayford Wharf East Lincoln Lincolnshire LN5 7AY

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their strategic report for the year ended 31 March 2019.

REVIEW OF BUSINESS

The company has had a satisfactory year as highlighted in the financial statements.

The company has continued to develop benefits for members in enhanced trading terms, sales development and an effective event marketing programme for member depots.

The company has continued to provide significant benefits to members year on year despite turnover decreasing from £42.0 million to £21.5 million due to the shorter trading period.

Following approval of the shareholders at an extraordinary general meeting of the company held on the 6 September 2018 the board of directors agreed arrangements for the merger of the company with Landmark Wholesale Limited to become effective on the 31 October 2018. The new company that has been incorporated to enact the merger is Unitas Wholesale Limited. By doing this it will provide many of our supplier partners with a group that provides the most relevant and preferred choice to the wholesale channel. The rationale is to create a unified champion for independent wholesalers and their customers that has larger scale, high efficiency, greater capability and that meets their needs in a rapidly consolidating market.

On merger completion the following steps took place:

- a premerger dividend of £461,000 which had been approved by the board of directors was distributed.
- a Share Exchange Offer was completed so that each of Today's Wholesale Services Limited and Landmark Wholesale Limited became wholly owned subsidiaries of Unitas Wholesale Limited and each member's shares in Today's Wholesale Services Limited were transferred to Unitas Wholesale Limited.
- Each of Today's Wholesale Services Limited and Landmark Wholesale Limited sold their trade and assets to Unitas Wholesale Limited.

Key performance indicators

The company turnover for the period of £21.5million was down from last year's £42.0 million due to a shorter trading period. Gross profit margin was 9.1% (2018: 8.7%). Operating profit margin performance was up at 1.3% (2018: 0.7%).

PRINCIPAL RISKS AND UNCERTAINTIES

Strategic, financial, commercial, operational, social, environmental and ethical risks are all considered as part of the company's controls which are designed to manage rather than eliminate the risk of failure to achieve business objectives. Therefore, the controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

The company's principal risk and uncertainties continue to be as follows:

- Gain / Loss of Members - gain / loss of members can have a direct impact on the group performance with suppliers.
- The company is developing its Information Technology systems and seeks to ensure appropriate IT systems are in operation to minimise the risk of systems failure or obsolescence.
- The Human Resource capital of the company is key to its success and measures are taken to ensure that this is developed and nurtured. The Human Resources department is working closely with colleagues to enhance training and improve overall performance.

FINANCIAL KEY PERFORMANCE INDICATORS:

- Operating profits - these are profits generated from the company's operating activities. These are disclosed in the income statement.
- Rebates Distributed to Members - Rebate income earned from suppliers that has been distributed to members.

TODAY'S WHOLESALE SERVICES LIMITED (REGISTERED NUMBER: 07727182)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

NON - FINANCIAL KEY PERFORMANCE INDICATORS:

- Retail Club - This is the number of stores operating within the Retail Club.
- Symbol Group - This is the number of stores operating under Today's fascia.
- Member Recruitment - This is the number of stores gained net of those lost during the year.

ON BEHALF OF THE BOARD:


.....
A M Thewlis - Secretary

Date: 28 November 2019

TODAY'S WHOLESALE SERVICES LIMITED (REGISTERED NUMBER: 07727182)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The company objective is to "provide benefit" for its members. The principal activities involve the collection of retrospective rebates, advertising income for wholesale members and the provision of marketing and support services for wholesale business and the Today's Symbol Group.

DIVIDENDS

A pre-merger dividend of £461,692 was paid on 31 October 2018, and a dividend in specie of £3,265,308 was paid on 31 October 2018.

The total distribution of dividends for the year ended 31 March 2019 will be £3,727,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

J F Kinney
J C Baines
D P Goldney

Other changes in directors holding office are as follows:

W S D Boyce - appointed 13 June 2018 - resigned 4 February 2019
J Cumiskey - resigned 4 February 2019
M S Dhamecha - resigned 4 February 2019
S J Hannah - resigned 4 February 2019
C P Hughes - resigned 4 February 2019
N Keeley - resigned 4 February 2019
F Khalid - resigned 4 February 2019
M G Mulchandani - resigned 4 February 2019
N R Ramsden - resigned 4 February 2019
A Sarwar - resigned 4 February 2019
P Thakrar - resigned 4 February 2019
A P Wild - resigned 4 February 2019

A M Thewlis was appointed as a director after 31 March 2019 but prior to the date of this report.

J Schofield ceased to be a director after 31 March 2019 but prior to the date of this report.

GOING CONCERN

The Board decided the financial statements were not to be prepared on a going concern basis given the trade and assets of the business were hived up into Unitas Wholesale Limited as part of the merger with Landmark Wholesale Limited. Following a full review of the assets and liabilities the Board has concluded that no adjustments are necessary to the carrying values as disclosed within the financial statements.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the period and up to the date of this report, the Company maintained liability insurance and third-party indemnification provisions for its directors, under which the company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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:

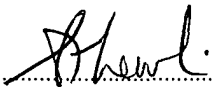
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:


.....
A M Thewlis - Secretary

Date: 28 November 2019

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TODAY'S WHOLESALE SERVICES LIMITED**

Opinion

We have audited the financial statements of Today's Wholesale Services Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw your attention to note 2 of the financial statements which explains why the directors do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than the going concern as described in note 2. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TODAY'S WHOLESALE SERVICES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

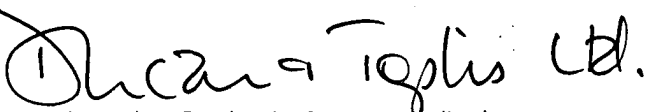
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.



Timothy Godson FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
4 Henley Way
Doddington Road
Lincoln
Lincolnshire
LN6 3QR

23 December 2019

TODAY'S WHOLESALE SERVICES LIMITED (REGISTERED NUMBER: 07727182)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
REVENUE		21,476,750	42,033,322
Cost of sales		<u>19,514,941</u>	<u>38,356,580</u>
GROSS PROFIT		1,961,809	3,676,742
Administrative expenses		<u>1,672,533</u>	<u>3,401,737</u>
OPERATING PROFIT	4	289,276	275,005
Interest receivable and similar income	5	<u>9,000</u>	<u>7,798</u>
PROFIT BEFORE TAXATION		298,276	282,803
Tax on profit	6	<u>90,000</u>	<u>33,504</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>208,276</u></u>	<u><u>249,299</u></u>

The notes form part of these financial statements

TODAY'S WHOLESALE SERVICES LIMITED (REGISTERED NUMBER: 07727182)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		208,276	249,299
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>208,276</u>	<u>249,299</u>

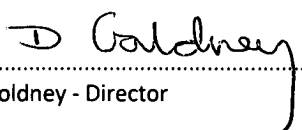
The notes form part of these financial statements

TODAY'S WHOLESALE SERVICES LIMITED (REGISTERED NUMBER: 07727182)

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2019**

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		8,100
Property, plant and equipment	9		-		1,027,641
Investments	10		-		31,250
					<u>1,066,991</u>
CURRENT ASSETS					
Debtors	11	10,230		5,835,693	
Cash at bank and in hand	12	-		5,168,946	
		<u>10,230</u>		<u>11,004,639</u>	
CREDITORS					
Amounts falling due within one year	13	-		8,940,323	
NET CURRENT ASSETS			<u>10,230</u>		<u>2,064,316</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,230</u>		<u>3,131,307</u>
PROVISIONS FOR LIABILITIES	16		-		14,353
NET ASSETS			<u><u>10,230</u></u>		<u><u>3,116,954</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		10,230		10,230
Share premium	18		-		1,909,495
Capital redemption reserve	18		-		2,405
Retained earnings	18		-		1,194,824
SHAREHOLDERS' FUNDS			<u><u>10,230</u></u>		<u><u>3,116,954</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on ~~28 November 2019~~ and were signed on its behalf by:


D P Goldney - Director


A M Thewlis - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2017	11,000	1,377,495	1,909,495
Changes in equity			
Issue of share capital	(770)	-	-
Total comprehensive income	-	(182,671)	-
Balance at 31 March 2018	10,230	1,194,824	1,909,495
Changes in equity			
Issue of share capital	-	-	(1,909,495)
Dividends	-	(3,727,000)	-
Total comprehensive income	-	2,532,176	-
Balance at 31 March 2019	10,230	-	-
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2017	-	2,405	3,300,395
Changes in equity			
Issue of share capital	-	-	(770)
Total comprehensive income	-	-	(182,671)
Balance at 31 March 2018	-	2,405	3,116,954
Changes in equity			
Issue of share capital	-	-	(1,909,495)
Dividends	-	-	(3,727,000)
Total comprehensive income	-	(2,405)	2,529,771
Balance at 31 March 2019	-	-	10,230

The notes form part of these financial statements

TODAY'S WHOLESALE SERVICES LIMITED (REGISTERED NUMBER: 07727182)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	(2,693,148)	(114,555)
Tax paid		(168,464)	(103,393)
Net cash from operating activities		<u>(2,861,612)</u>	<u>(217,948)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(35,808)	(104,904)
Assets transferred on merger		1,446,474	-
Interest received		9,000	7,798
Net cash from investing activities		<u>1,419,666</u>	<u>(97,106)</u>
Cash flows from financing activities			
Share buyback		-	(186,000)
Equity dividends paid		(3,727,000)	-
Net cash from financing activities		<u>(3,727,000)</u>	<u>(186,000)</u>
Decrease in cash and cash equivalents		<u>(5,168,946)</u>	<u>(501,054)</u>
Cash and cash equivalents at beginning of year	2	5,168,946	5,670,000
Cash and cash equivalents at end of year	2	<u>-</u>	<u>5,168,946</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before taxation	298,276	282,803
Depreciation charges	68,325	175,921
Finance income	(9,000)	(7,798)
	<u>357,601</u>	<u>450,926</u>
Decrease/(increase) in trade and other debtors	5,825,463	(1,635,693)
(Decrease)/increase in trade and other creditors	(8,876,212)	1,070,212
	<u>(2,693,148)</u>	<u>(114,555)</u>
Cash generated from operations	(2,693,148)	(114,555)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	-	5,168,946

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	5,168,946	5,670,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. STATUTORY INFORMATION

Today's Wholesale Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The Board decided the financial statements were not to be prepared on a going concern basis given the trade and assets of the business were hived up into Unitas Wholesale Limited as part of the merger with Landmark Wholesale Limited. Following a full review of the assets and liabilities the Board has concluded that no adjustments are necessary to the carrying values as disclosed within the financial statements.

Preparation of consolidated financial statements

The financial statements contain information about Today's Wholesale Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

These services include rebates which primarily relate to amounts due from suppliers for the direct supply of goods to Today's Group members. They are recorded as income where the supplier is invoiced for the rebate value, based on the agreed level of purchases in a particular period. Income recorded is matched by a corresponding payable to the members for rebates earned. Further income is generated from suppliers as contributions to advertising expenditure and from other services, which is recognised as earned.

The whole of the turnover is attributable to the principal activity of the company and all arises in the UK.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 4% on cost
Fixtures and fittings	- 20% on cost, 15% on cost and 10% on cost
Computer equipment	- 33% on cost, 25% on cost and 20% on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitute a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution group personal pension scheme. A defined contribution plan is a pension plan under which the company pays a fixed contribution into a separate entity. Once contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in an independently administered fund.

3. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	899,726	1,647,523
Social security costs	166,892	141,869
Other pension costs	135,600	225,852
	<u>1,202,218</u>	<u>2,015,244</u>

The average number of employees during the year was as follows:

	2019	2018
Group services	<u>34</u>	<u>29</u>

	2019 £	2018 £
Directors' remuneration	394,476	614,450
Directors' pension contributions to money purchase schemes	<u>24,512</u>	<u>34,266</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2019	2018
Money purchase schemes	<u>3</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	2019 £	2018 £
Emoluments etc	129,665	257,939
Pension contributions to money purchase schemes	<u>3,983</u>	<u>3,167</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

4. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	65,325	169,000
Patents and licences amortisation	3,000	6,000
Auditors remuneration - audit services	9,000	21,936
Auditors remuneration - taxation services	-	6,000
Operating lease rentals - motor vehicles	99,345	120,148
Operating lease rentals - plant and machinery	6,443	-
	<u>6,443</u>	<u>-</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Deposit account interest	9,000	7,798
	<u>9,000</u>	<u>7,798</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	104,353	64,206
Adjustment re previous years	-	(32,000)
Total current tax	<u>104,353</u>	<u>32,206</u>
Deferred tax	(14,353)	1,298
Tax on profit	<u>90,000</u>	<u>33,504</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before tax	<u>298,276</u>	<u>282,803</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	56,672	53,733
Effects of:		
Expenses not deductible for tax purposes	12,000	11,771
Adjustments to tax charge in respect of previous periods	-	(32,000)
Provision	<u>21,328</u>	<u>-</u>
Total tax charge	<u>90,000</u>	<u>33,504</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

7. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	<u>3,727,000</u>	<u>-</u>

8. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2018	30,100
Reclassification/transfer	<u>(30,100)</u>
At 31 March 2019	<u>-</u>
AMORTISATION	
At 1 April 2018	22,000
Amortisation for year	3,000
Reclassification/transfer	<u>(25,000)</u>
At 31 March 2019	<u>-</u>
NET BOOK VALUE	
At 31 March 2019	<u>-</u>
At 31 March 2018	<u>8,100</u>

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2018	1,010,312	330,751	664,808	2,005,871
Additions	-	-	35,808	35,808
Revaluations	412,000	-	-	412,000
Transfer on merger	<u>(1,422,312)</u>	<u>(330,751)</u>	<u>(700,616)</u>	<u>(2,453,679)</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPRECIATION				
At 1 April 2018	249,221	261,128	467,881	978,230
Charge for year	20,206	9,850	35,269	65,325
Transfer on merger	<u>(269,427)</u>	<u>(270,978)</u>	<u>(503,150)</u>	<u>(1,043,555)</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE				
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2018	<u>761,091</u>	<u>69,623</u>	<u>196,927</u>	<u>1,027,641</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

9. PROPERTY, PLANT AND EQUIPMENT - continued

The carrying amount of Land & Building comprises:

	2019 £	2018 £
Investment properties at fair value:		
Freehold	-	330,000
Other property at cost:		
Freehold	-	431,091
	<u>-</u>	<u>761,091</u>

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 April 2018	31,250
Reclassification/transfer	(31,250)
	<u>-</u>
At 31 March 2019	-
NET BOOK VALUE	
At 31 March 2019	-
	<u>-</u>
At 31 March 2018	<u>31,250</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

National Drink Distributors Limited

Registered office: 3 Carolina Court, Doncaster, South Yorkshire, DN4 5RA

Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	-	5,228,293
Amounts owed by group undertakings	10,230	-
Prepayments and accrued income	-	607,400
	<u>10,230</u>	<u>5,835,693</u>

12. CASH AT BANK AND IN HAND

As noted in the Strategic Report Unitas Wholesale Limited continued to operate the company's bank account following the merger in order to maintain operational efficiency. As Unitas Wholesale Limited fully controlled the company bank account the balance has been included within the assets of Unitas Wholesale Limited at the period end.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	-	770,054
Taxation	-	64,111
Other taxes and social security	-	1,619,959
Other creditors	-	14,000
Accruals and deferred income	-	887,735
Rebates due to members	-	5,584,464
	-	8,940,323

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	-	93,592
Between one and five years	-	87,598
	-	181,190

The company held investment property as part of a mixed use of freehold property. Future minimum rentals receivable under non cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than one year	-	65,000
Later than one year an no later than five years	-	95,830
	-	160,830

15. SECURED DEBTS

Our bankers hold a fixed and floating charge on all book debts owing to the Company, excluding rebates due to members, to cover any liability associated with the provision of BACS and Direct Debit facilities.

16. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax	-	14,353
Accelerated capital allowances	-	
		Deferred tax
		£
Balance at 1 April 2018		14,353
Credit to Income Statement during year		(14,353)
Balance at 31 March 2019		-

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2019**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
10,230	Ordinary	£1	<u>10,230</u>	<u>10,230</u>

18. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2018	1,194,824	1,909,495	-	2,405	3,106,724
Profit for the year	208,276				208,276
Dividends	(3,727,000)				(3,727,000)
Transfer on merger	2,323,900	(1,909,495)	(412,000)	(2,405)	-
Revaluation	-	-	412,000	-	412,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2019	-	-	-	-	-

19. PENSION COMMITMENTS

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered scheme. The outstanding commitment at the year end was £nil (2018: £19,000).

20. RELATED PARTY DISCLOSURES

Entities over which the entity has control, joint control or significant influence

	2019 £	2018 £
Amount due from related party	<u>10,230</u>	<u>-</u>

Other related parties

	2019 £	2018 £
Sales	6,004,248	10,069,335
Purchases	8,823,435	17,397,443
Amount due from related party	<u>-</u>	<u>9,000</u>

21. ULTIMATE CONTROLLING PARTY

Unitas Wholesale Limited, registered office, 3 Carolina Court, Wisconsin Drive, Doncaster, England, DN4 5RA.