

Wallaces Express Limited
Directors' Report and Consolidated Financial Statements
for the Year Ended 31 March 2007



Robert J Hart & Company
Chartered Accountants and Registered Auditors
Riversleigh
9 Kilwinning Road
Irvine
Ayrshire
KA12 8RR

Wallaces Express Limited

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Wallaces Express Limited
Officers and Advisers

Directors	B J Calder C Cosh
Secretary	C Cosh
Registered office	10 Crompton Way North Newmoor Industrial Estate IRVINE Ayrshire KA11 4HU
Bankers	The Royal Bank of Scotland 100 West George Street Glasgow G2 1PP
Auditors	Robert J Hart & Company Chartered Accountants and Registered Auditors Riversleigh 9 Kilwinning Road Irvine Ayrshire KA12 8RR

Wallaces Express Limited
Directors' Report for the Year Ended 31 March 2007

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2007

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and group at the end of the financial year and of the profit or loss of the company and group for the period ending on that date. In preparing those financial statements, directors are required to

select suitable accounting policies and apply them consistently;

make judgements and estimates that are reasonable and prudent,

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,

prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and group and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity and business review

The principal activity of the group is conducted in the wholesale licensed trade.

The directors consider that the results for the year as detailed in the financial statements to be satisfactory and are of the opinion that the position at the end of the financial year leaves the group able to maintain its position within the market over the forthcoming years.

The past year has been challenging one for the group which has seen a downturn within the licensed trade sector of approximately 8%. Despite this downturn, the group has managed to maintain its turnover levels, only suffering a decrease on the prior years turnover of 0.4%. The turnover levels have been achieved through maintaining existing customers and developing new customers within existing geographical areas operated from.

Despite the small decrease in the turnover, the gross profit level has increased on previous years levels through increasing the gross profit percentage achieved from 15.6% to 15.7%. The operating profit of the company decreased by 11.5% to £3,181,065, as a result of increased overheads mainly due to increasing vehicle running costs.

The difficult trading climate has continued since the year end and another challenging year is expected.

Risk Management Policy

The principal financial risks that the group is exposed to are as follows:

Liquidity risk The liquidity of the group is managed on a daily basis to ensure that contractual and potential cash flow obligations can be met as they arise.

Post balance sheet events

No events have occurred since the year end which require reporting or disclosing in the financial statements.

Wallaces Express Limited
Directors' Report for the Year Ended 31 March 2007

continued

Results and dividend

The results for the group are set out in the financial statements

The directors do not recommend the payment of a dividend

Fixed assets

In the opinion of the directors no fixed assets have a significant difference in value between the book value reported and the market value

Directors and their interests

The directors who held office during the year and their beneficial interest in the shares of the company were as follows

	'A' Ordinary shares of £1 each		'B' Ordinary shares of £1 each		'C' Ordinary shares of £1 each	
	As at 31 March 2007 No	As at 1 April 2006 No.	As at 31 March 2007 No	As at 1 April 2006 No.	As at 31 March 2007 No.	As at 1 April 2006 No.
B J Calder	500,000	500,000				
C Cosh			500,000	500,000		

B J Calder's shareholding is held as a beneficiary of the DS Cosh Trust

Retirement of directors

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis

Auditors

The auditors, Robert J Hart & Company, will be proposed for re appointment in accordance with section 385 of the Companies Act 1985

Approved by the Board on 28 May 2007 and signed on its behalf by



C Cosh
Company Secretary

Independent Auditors' Report to the Members of Wallaces Express Limited

We have audited the group and parent company financial statements (the "financial statements") of Wallaces Express Limited for the year ended 31 March 2007 set out on pages 5 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our 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 described in the statement of Directors' responsibilities on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements.



Robert J Hart & Company
Chartered Accountants and Registered Auditors

29 May 2007

Riversleigh
9 Kilwinning Road
Irvine
Ayrshire
KA12 8RR

Wallaces Express Limited
Consolidated Profit and Loss Account for the Year Ended 31 March 2007

	Note	2007 £	2006 £
Turnover	2	65,530,824	65,773,364
Cost of sales		<u>(55,232,830)</u>	<u>(55,544,840)</u>
Gross profit		10,297,994	10,228,524
Administrative expenses		<u>(7,116,929)</u>	<u>(6,635,733)</u>
Operating profit	3	3,181,065	3,592,791
Other interest receivable and similar income		2,671	83,389
Interest payable and similar charges	6	<u>(620,503)</u>	<u>(1,145,668)</u>
Profit on ordinary activities before taxation		2,563,233	2,530,512
Tax on profit on ordinary activities	7	<u>(1,065,024)</u>	<u>(1,075,845)</u>
Profit for the financial year	19	1,498,209	1,454,667
Profit and loss reserve brought forward		<u>2,856,783</u>	<u>1,402,115</u>
Profit and loss reserve carried forward		<u>4,354,992</u>	<u>2,856,782</u>

Turnover and operating profit derive wholly from continuing operations

The group has no recognised gains or losses for the year other than the results above

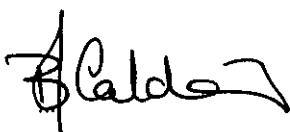
There is no material difference between the result reported above and the result on an unmodified historical cost basis

The notes on pages 9 to 19 form an integral part of these financial statements

Wallaces Express Limited
Consolidated Balance Sheet as at 31 March 2007

		2007		2006	
	Note	£	£	£	£
Fixed assets					
Intangible assets	8		6,152,930		7,119,695
Tangible assets	9		<u>3,092,817</u>		<u>3,254,044</u>
			9,245,747		10,373,739
Current assets					
Stocks	11	4,619,863		4,761,514	
Debtors	12	6,525,685		6,786,396	
Cash at bank and in hand		<u>482,466</u>		<u>546,459</u>	
		11,628,014		12,094,369	
Creditors. Amounts falling due within one year	13	<u>(5,358,840)</u>		<u>(8,419,441)</u>	
Net current assets			<u>6,269,174</u>		<u>3,674,928</u>
Total assets less current liabilities			15,514,921		14,048,667
Creditors. Amounts falling due after more than one year	14		(9,793,567)		(9,821,079)
Provisions for liabilities	17		<u>(116,362)</u>		<u>(120,806)</u>
Net assets			<u>5,604,992</u>		<u>4,106,782</u>
Capital and reserves					
Called up share capital	18		1,250,000		1,250,000
Profit and loss reserve	19		<u>4,354,992</u>		<u>2,856,782</u>
Equity shareholders' funds	20		<u>5,604,992</u>		<u>4,106,782</u>

Approved by the Board on 28 May 2007 and signed on its behalf by

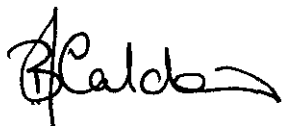


B J Calder
Director

Wallaces Express Limited
Balance Sheet as at 31 March 2007

		2007		2006	
	Note	£	£	£	£
Fixed assets					
Investments	10		25,920,761		25,920,761
Creditors: Amounts falling due within one year	13	(14,809,744)		(14,786,484)	
Net current liabilities			(14,809,744)		(14,786,484)
Total assets less current liabilities			11,111,017		11,134,277
Creditors: Amounts falling due after more than one year	14		(9,793,568)		(9,821,079)
Net assets			<u>1,317,449</u>		<u>1,313,198</u>
Capital and reserves					
Called up share capital	18		1,250,000		1,250,000
Profit and loss reserve	19		67,449		63,198
Equity shareholders' funds	20		<u>1,317,449</u>		<u>1,313,198</u>

Approved by the Board on 28 May 2007 and signed on its behalf by



B J Calder
Director

Wallaces Express Limited
Consolidated Cash Flow Statement for the Year Ended 31 March 2007

		2007		2006	
	Note	£	£	£	£
Net cash flow from operating activities	22		3,302,495		3,461,368
Returns on investment and servicing of finance					
Other interest paid		(620,503)		(1,145,668)	
Interest received		<u>2,671</u>		<u>83,389</u>	
			(617,832)		(1,062,279)
Taxation paid			(1,095,560)		(1,087,664)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(210,330)		(310,727)	
Sale of tangible fixed assets		<u>33,550</u>		<u>90,887</u>	
			<u>(176,780)</u>		<u>(219,840)</u>
Cash inflow before management of liquid resources and financing			1,412,323		1,091,585
Financing					
Increase in loans and borrowings		3,463,568		6,322,625	
Repayment of loans and borrowings		(3,691,080)		(10,021,213)	
Issue of debenture loans					
			<u>(227,512)</u>		<u>(3,698,588)</u>
Net cash flow			<u>1,184,812</u>		<u>(2,607,003)</u>

Reconciliation of net cash flow to movement in net debt

		2007	2006
	Note	£	£
Increase/(decrease) in cash in the year	23	1,184,812	(2,607,003)
Cash outflow from decrease in debt and lease financing		<u>227,512</u>	<u>3,698,587</u>
Change in net debt resulting from cash flows		1,412,324	1,091,584
Net debt at the start of the year	23	<u>(11,723,425)</u>	<u>(12,815,010)</u>
Net debt at the end of the year	23	<u>(10,311,101)</u>	<u>(11,723,426)</u>

The notes on pages 9 to 19 form an integral part of these financial statements

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

1 Accounting policies

Basis of preparation

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

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2007. The acquisitions method of accounting has been adopted. Under this method, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the group has a long term interest and over which it exercises joint control. The group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, other than goodwill, is included in investments in the consolidated balance sheet.

Where a group company is party to a joint arrangement which is not an entity, that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account. Its profit for the financial year was £4,251 (2006 £3,771).

Going concern

These financial statements have been prepared on a going concern basis.

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Goodwill	10 years straight line basis
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Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold property	50 years straight line basis
Fixtures and fittings	5 years straight line basis
Motor vehicles	4 years straight line basis

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Pensions

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

2 Turnover

An analysis of turnover by geographical market is given below

	2007 £	2006 £
Sales UK	<u>65,530,824</u>	<u>65,773,364</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2007 £	2006 £
Auditors remuneration	7,500	7,750
Auditors' remuneration non audit services		
Company	658	524
Group	3,909	4,283
Profit on sale of tangible fixed assets	(23,055)	(34,853)
Depreciation of owned tangible fixed assets	361,062	412,824
Amortisation of goodwill	<u>966,765</u>	<u>966,765</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

4 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows

	2007 No.	2006 No.
Retail and distribution	185	173
Administrative staff (including directors)	33	35
	<u>218</u>	<u>208</u>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	3,667,936	3,282,405
Social security	332,164	322,479
Other pension costs	31,000	37,500
	<u>4,031,100</u>	<u>3,642,384</u>

5 Directors' emoluments

No emoluments were paid to the directors during the year (2006 £nil)

6 Interest payable and similar charges

	2007 £	2006 £
Bank interest payable	541	1,515
Bank loan interest payable	176,802	715,242
Loan interest	443,160	428,911
	<u>620,503</u>	<u>1,145,668</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

7 Taxation

Analysis of current period tax charge

	2007 £	2006 £
Current tax		
Corporation tax charge	1,074,892	1,079,865
(Over)/under provision in previous year	(5,424)	
UK Corporation tax	<u>1,069,468</u>	<u>1,079,865</u>
Deferred tax		
Origination and reversal of timing differences	<u>(4,444)</u>	<u>(4,020)</u>
Total tax on profit on ordinary activities	<u>1,065,024</u>	<u>1,075,845</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2006 higher than) the standard rate of corporation tax in the UK of 30.00% (2006 30.00%)

The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>2,563,233</u>	<u>2,530,512</u>
Standard rate corporation tax charge	768,970	759,154
Expenses not deductible for tax purposes	16,940	17,144
Depreciation in excess of capital allowances	288,981	303,567
Over provision in respect of previous periods	(5,423)	
Total current tax for the year	<u>1,069,468</u>	<u>1,079,865</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

8 Intangible fixed assets

Group

	Goodwill £
Cost	
As at 1 April 2006 and 31 March 2007	9,667,653
Amortisation	
As at 1 April 2006	2,547,958
Charge for the year	966,765
As at 31 March 2007	3,514,723
Net book value	
As at 31 March 2007	6,152,930
As at 31 March 2006	7,119,695

9 Tangible fixed assets

Group

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
As at 1 April 2006	2,826,320	352,747	1,874,057	5,053,124
Additions		16,884	193,446	210,330
Disposals			(204,206)	(204,206)
As at 31 March 2007	2,826,320	369,631	1,863,297	5,059,248
Depreciation				
As at 1 April 2006	239,787	236,228	1,323,065	1,799,080
Eliminated on disposals			(193,711)	(193,711)
Charge for the year	56,526	41,135	263,401	361,062
As at 31 March 2007	296,313	277,363	1,392,755	1,966,431
Net book value				
As at 31 March 2007	2,530,007	92,268	470,542	3,092,817
As at 31 March 2006	2,586,533	116,519	550,992	3,254,044

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

10 Investments held as fixed assets

Company

	Group shares £
Cost	
As at 1 April 2006 and 31 March 2007	<u>25,920,761</u>
Net book value	
As at 31 March 2007	<u>25,920,761</u>
As at 31 March 2006	<u>25,920,761</u>

The investment represents 100% of the share capital of Wallaces of Ayr Limited, a company incorporated in Great Britain

The results of Wallaces of Ayr Limited for the year ended 31st March 2007 are included in the consolidated financial statements of the group

11 Stocks and work in progress

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Stocks	<u>4,619,863</u>	<u>4,761,514</u>	<u></u>	<u></u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

12 Debtors

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Trade debtors	5,927,273	6,053,903		
Other debtors	21,718	11,300		
Prepayments and accrued income	576,694	721,193		
	<u>6,525,685</u>	<u>6,786,396</u>	<u></u>	<u></u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

13 Creditors. Amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loans and overdrafts	1,000,000	2,448,805	1,727,385	1,298,365
Trade creditors	2,743,805	4,157,481		
Amounts owed to group undertakings			13,018,683	13,091,509
Corporation tax	534,892	560,984		
Social security and other taxes	904,123	778,561		
Other creditors	102,344	350,000		350,000
Accruals and deferred income	73,676	123,610	63,676	46,610
	<u>5,358,840</u>	<u>8,419,441</u>	<u>14,809,744</u>	<u>14,786,484</u>

14 Creditors. Amounts falling due after more than one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loans and overdrafts	2,463,567	2,491,079	2,463,568	2,491,079
Variable unsecured loan notes due 1 2 years	7,330,000		7,330,000	
Variable unsecured loan notes due 2 5 years		7,330,000		7,330,000
	<u>9,793,567</u>	<u>9,821,079</u>	<u>9,793,568</u>	<u>9,821,079</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

15 Maturation of borrowings

Group

Amounts repayable

	Variable unsecured loan notes £	Bank loans & overdrafts £	Total £
As at 31 March 2007			
In one year or less on demand		1,000,000	1,000,000
Between one and two years	7,330,000	1,000,000	8,330,000
Between two and five years		1,463,567	1,463,567
	<u>7,330,000</u>	<u>3,463,567</u>	<u>10,793,567</u>
As at 31 March 2006			
In one year or less on demand		2,448,805	2,448,805
Between one and two years		1,200,000	1,200,000
Between two and five years	7,330,000	1,291,079	8,621,079
	<u>7,330,000</u>	<u>4,939,884</u>	<u>12,269,884</u>

Company

Amounts repayable

	Variable unsecured loan notes £	Bank loans & overdrafts £	Total £
As at 31 March 2007			
In one year or less on demand		1,727,385	1,727,385
Between one and two years	7,330,000	1,000,000	8,330,000
Between two and five years		1,463,568	1,463,568
	<u>7,330,000</u>	<u>4,190,953</u>	<u>11,520,953</u>
As at 31 March 2006			
In one year or less on demand		1,298,365	1,298,365
Between one and two years		1,200,000	1,200,000
Between two and five years	7,330,000	1,291,079	8,621,079
	<u>7,330,000</u>	<u>3,789,444</u>	<u>11,119,444</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

16 Security of borrowings

The bank loans and overdrafts are secured by Standard Security and a Bond and Floating Charge over the property and undertakings of the group

17 Provisions for liabilities

Group

	Deferred tax provision £
As at 1 April 2006	120,806
Deferred tax provision charged to the profit and loss account	(4,444)
As at 31 March 2007	<u>116,362</u>

Deferred tax

Deferred tax is provided at 30.00% (2006 30.00%)

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Timing differences in respect of excess capital allowances over depreciation	<u>116,362</u>	<u>120,806</u>		

18 Share capital

	2007 £	2006 £
Authorised		
Equity		
500,000 'A' Ordinary shares of £1 each	500,000	500,000
500,000 'B' Ordinary shares of £1 each	500,000	500,000
250,000 'C' Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
	<u>1,250,000</u>	<u>1,250,000</u>
Allotted, called up and fully paid		
Equity		
500,000 'A' Ordinary shares of £1 each	500,000	500,000
500,000 'B' Ordinary shares of £1 each	500,000	500,000
250,000 'C' Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
	<u>1,250,000</u>	<u>1,250,000</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2007

continued

19 Reserves

Group

	Profit and loss reserve £
Balance at 1 April 2006	2,856,783
Transfer from profit and loss account for the year	1,498,209
Balance at 31 March 2007	<u>4,354,992</u>

Company

	Profit and loss reserve £
Balance at 1 April 2006	63,198
Transfer from profit and loss account for the year	4,251
Balance at 31 March 2007	<u>67,449</u>

20 Reconciliation of movements in shareholders' funds

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Profit attributable to members of the group / company	1,498,209	1,454,667	4,251	3,771
Opening equity shareholders' funds	<u>4,106,782</u>	<u>2,652,115</u>	<u>1,313,198</u>	<u>1,309,427</u>
Closing equity shareholders' funds	<u>5,604,992</u>	<u>4,106,782</u>	<u>1,317,449</u>	<u>1,313,198</u>

Wallaces Express Limited

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continued

21 Pension schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £31,000 (2006 £37,500)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

22 Reconciliation of operating profit to operating cash flows

	2007 £	2006 £
Operating profit	3,181,065	3,592,791
Depreciation, amortisation and impairment charges	1,327,827	1,379,590
Profit on disposal of fixed assets	(23,055)	(34,893)
Decrease/(increase) in stocks	141,651	(1,266,646)
Decrease/(increase) in debtors	260,711	(53,042)
Decrease in creditors	(1,585,704)	(156,432)
Net cash inflow from operating activities	3,302,495	3,461,368

23 Analysis of net debt

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	546,459	(63,993)	482,466
Bank overdraft	(1,248,805)	1,248,805	
Cash and bank net debt	(702,346)	1,184,812	482,466
Debt due within one year	(1,200,000)	200,000	(1,000,000)
Debt due after one year	(9,821,079)	27,512	(9,793,567)
Change in debt	(11,021,079)	227,512	(10,793,567)
Net debt	(11,723,425)	1,412,324	(10,311,101)

24 Related parties

Controlling entity

The company is controlled by the directors who own 80% of the called up share capital

Related party transactions

The company has taken advantage of the exemption in FRS 8 not to disclose any related party transactions and balances eliminated on consolidation

At the balance sheet date there were £400,000 of Variable Unsecured Loan Notes due to the trustees of the D S Cosh Trust. During the year interest of £23,252 was paid on the loan notes