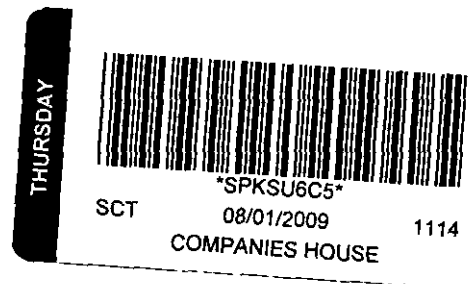


Registration number: SC247082

Wallaces Express Limited
Directors' Report and Consolidated Financial Statements
for the Year Ended 31 March 2008



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 2008

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2008.

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 are satisfactory considering the economic climate and the numerous factors affecting its core marketplace. The licensed trade sector has suffered a significant downturn during the year, however with prudent management and purchasing policies the group has been able to improve the gross profit percentage from 15.71% to 16.03% thereby minimising the effect of the reduction of 5.41% in turnover. The balance sheet at the year end continues to improve and will allow the group to maintain its position in the marketplace throughout the coming year.

Risk Management Policy

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.

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.

Wallaces Express Limited

Directors' Report for the Year Ended 31 March 2008

..... continued

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 2008	As at 1 April 2007	As at 31 March 2008	As at 1 April 2007	As at 31 March 2008	As at 1 April 2007
	No.	No.	No.	No.	No.	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 29 May 2008 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 2008 set out on pages 6 to 25. 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.

**Independent Auditors' Report to the Members of
Wallaces Express Limited**

..... continued

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 2008 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 2008

Riversleigh
9 Kilwinning Road
Irvine
Ayrshire
KA12 8RR

Wallaces Express Limited
Consolidated Profit and Loss Account for the Year Ended 31 March 2008

	Note	2008 £	2007 £
Turnover	2	61,985,854	65,530,824
Cost of sales		<u>(52,047,259)</u>	<u>(55,232,830)</u>
Gross profit		9,938,595	10,297,994
Administrative expenses		<u>(7,412,676)</u>	<u>(7,116,929)</u>
Operating profit	3	2,525,919	3,181,065
Other interest receivable and similar income		20,689	2,671
Interest payable and similar charges	6	<u>(442,816)</u>	<u>(620,503)</u>
Profit on ordinary activities before taxation		2,103,792	2,563,233
Tax on profit on ordinary activities	7	<u>(942,565)</u>	<u>(1,065,024)</u>
Profit for the financial year	19	1,161,227	1,498,209
Profit and loss reserve brought forward		4,354,992	2,856,783
Other profit and loss reserve movements		<u>-</u>	<u>-</u>
Profit and loss reserve carried forward		<u><u>5,516,219</u></u>	<u><u>4,354,992</u></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.

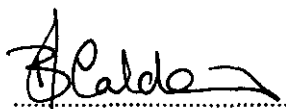
There is no material difference between the result reported above and the result on an unmodified historical cost basis.

The notes on pages 11 to 25 form an integral part of these financial statements.

Wallaces Express Limited
Consolidated Balance Sheet as at 31 March 2008

		2008		2007	
	Note	£	£	£	£
Fixed assets					
Intangible assets	8		5,186,165		6,152,930
Tangible assets	9		<u>3,259,816</u>		<u>3,092,817</u>
			8,445,981		9,245,747
Current assets					
Stocks	11	6,835,681		4,619,863	
Debtors	12	6,527,120		6,525,685	
Cash at bank and in hand		<u>880</u>		<u>482,466</u>	
		13,363,681		11,628,014	
Creditors: Amounts falling due within one year	13	<u>(8,409,582)</u>		<u>(5,358,840)</u>	
Net current assets			<u>4,954,099</u>		<u>6,269,174</u>
Total assets less current liabilities			13,400,080		15,514,921
Creditors: Amounts falling due after more than one year	14		(6,509,397)		(9,793,567)
Provisions for liabilities	17		<u>(124,464)</u>		<u>(116,362)</u>
Net assets			<u>6,766,219</u>		<u>5,604,992</u>
Capital and reserves					
Called up share capital	18		1,250,000		1,250,000
Profit and loss reserve	19		<u>5,516,219</u>		<u>4,354,992</u>
Equity shareholders' funds	20		<u>6,766,219</u>		<u>5,604,992</u>

Approved by the Board on 29 May 2008 and signed on its behalf by:



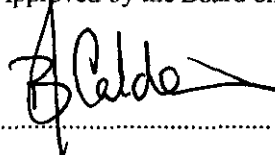
B J Calder
Director

The notes on pages 11 to 25 form an integral part of these financial statements.

Wallaces Express Limited
Balance Sheet as at 31 March 2008

		2008	2007
	Note	£	£
Fixed assets			
Investments	10	25,920,761	25,920,761
Creditors: Amounts falling due within one year	13	<u>(18,028,720)</u>	<u>(14,809,744)</u>
Net current liabilities		<u>(18,028,720)</u>	<u>(14,809,744)</u>
Total assets less current liabilities		7,892,041	11,111,017
Creditors: Amounts falling due after more than one year	14	<u>(6,509,397)</u>	<u>(9,793,568)</u>
Net assets		<u><u>1,382,644</u></u>	<u><u>1,317,449</u></u>
Capital and reserves			
Called up share capital	18	1,250,000	1,250,000
Profit and loss reserve	19	<u>132,644</u>	<u>67,449</u>
Equity shareholders' funds	20	<u><u>1,382,644</u></u>	<u><u>1,317,449</u></u>

Approved by the Board on 29 May 2008 and signed on its behalf by:



B J Calder
Director

The notes on pages 11 to 25 form an integral part of these financial statements.

Wallaces Express Limited

Consolidated Cash Flow Statement for the Year Ended 31 March 2008

		2008		2007	
	Note	£	£	£	£
Net cash flow from operating activities	22		3,233,929		3,302,495
Returns on investment and servicing of finance					
Other interest paid		(442,816)		(620,503)	
Interest received		<u>20,689</u>		<u>2,671</u>	
			(422,127)		(617,832)
Taxation paid			(1,080,000)		(1,095,560)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(518,531)		(210,330)	
Sale of tangible fixed assets		<u>40,255</u>		<u>33,550</u>	
			<u>(478,276)</u>		<u>(176,780)</u>
Cash inflow before management of liquid resources and financing			1,253,526		1,412,323
Financing					
Increase in loans and borrowings		5,045,830		3,463,568	
Repayment of loans and borrowings		-		(3,691,080)	
Issue of debenture loans		-		-	
Redemption of unsecured loan notes		<u>(7,330,000)</u>		<u>-</u>	
			<u>(2,284,170)</u>		<u>(227,512)</u>
Net cash flow			<u><u>(1,030,644)</u></u>		<u><u>1,184,812</u></u>

The notes on pages 11 to 25 form an integral part of these financial statements.

Wallaces Express Limited

Consolidated Cash Flow Statement for the Year Ended 31 March 2008

Reconciliation of net cash flow to movement in net debt

		2008	2007
	Note	£	£
(Decrease)/increase in cash in the year	23	(1,030,644)	1,184,812
Cash outflow from decrease in debt and lease financing		<u>2,284,170</u>	<u>227,512</u>
Change in net debt resulting from cash flows		1,253,526	1,412,324
Net debt at the start of the year	23	<u>(10,311,101)</u>	<u>(11,723,425)</u>
Net debt at the end of the year	23	<u><u>(9,057,575)</u></u>	<u><u>(10,311,101)</u></u>

The notes on pages 11 to 25 form an integral part of these financial statements.

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

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 2008. 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 £65,195 (2007 - £4,251).

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
----------	------------------------------

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.

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

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.

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:

	2008 £	2007 £
Sales - UK	<u>61,985,854</u>	<u>65,530,824</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

3 Operating profit

Operating profit is stated after charging/(crediting):

	2008		2007	
	£	£	£	£
Auditors' remuneration				
Auditors remuneration	1,500		1,500	
The audit of the company's subsidiaries' annual accounts	<u>6,000</u>		<u>6,000</u>	
		7,500		7,500
Auditors' remuneration - non audit services				
Company		132		658
Group		6,380		3,909
Profit on sale of tangible fixed assets		(32,211)		(23,055)
Depreciation of owned tangible fixed assets		343,488		361,062
Amortisation of goodwill		<u>966,765</u>		<u>966,765</u>

4 Particulars of employees

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

	2008 No.	2007 No.
Retail and distribution	176	185
Administrative staff (including directors)	<u>33</u>	<u>33</u>
	<u>209</u>	<u>218</u>

The aggregate payroll costs of these persons were as follows:

	2008 £	2007 £
Wages and salaries	3,783,071	3,667,936
Social security	337,301	332,164
Other pension costs	<u>21,000</u>	<u>31,000</u>
	<u>4,141,372</u>	<u>4,031,100</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

5 Directors' emoluments

The directors' emoluments for the year are as follows:

	2008 £	2007 £
Directors' emoluments (including benefits in kind)	288,070	275,293
Directors' pension contributions	14,000	24,000
	<u>302,070</u>	<u>299,293</u>

During the period the number of directors who were accruing benefits under company pension schemes was as follows:

	2008 No.	2007 No.
Money purchase	<u>2</u>	<u>2</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £176,310 (2007 - £174,323), and company pension contributions of £12,000 (2007 - £22,000) were made to a money purchase scheme on their behalf.

6 Interest payable and similar charges

	2008 £	2007 £
Bank interest payable	-	541
Bank loan interest payable	28,645	176,802
Loan interest	414,171	443,160
	<u>442,816</u>	<u>620,503</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

7 Taxation

Analysis of current period tax charge

	2008 £	2007 £
Current tax		
Corporation tax charge	934,524	1,074,892
(Over)/under provision in previous year	(61)	(5,424)
UK Corporation tax	<u>934,463</u>	<u>1,069,468</u>
Deferred tax		
Origination and reversal of timing differences	<u>8,102</u>	<u>(4,444)</u>
Total tax on profit on ordinary activities	<u>942,565</u>	<u>1,065,024</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2007 - higher than) the standard rate of corporation tax in the UK of 30.00% (2007 - 30.00%).

The differences are reconciled below:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>2,103,792</u>	<u>2,563,233</u>
Standard rate corporation tax charge	631,138	768,970
Expenses not deductible for tax purposes	7,549	16,940
Depreciation in excess of capital allowances	295,837	288,981
Over provision in respect of previous periods	(61)	(5,423)
Total current tax for the year	<u>934,463</u>	<u>1,069,468</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

8 Intangible fixed assets

Group

	Goodwill £
Cost	
As at 1 April 2007 and 31 March 2008	<u>9,667,653</u>
Amortisation	
As at 1 April 2007	3,514,723
Charge for the year	<u>966,765</u>
As at 31 March 2008	<u>4,481,488</u>
Net book value	
As at 31 March 2008	<u>5,186,165</u>
As at 31 March 2007	<u>6,152,930</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

9 Tangible fixed assets

Group

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
As at 1 April 2007	2,826,320	369,631	1,863,297	5,059,248
Additions	120,338	66,412	331,781	518,531
Disposals	-	-	(278,421)	(278,421)
As at 31 March 2008	<u>2,946,658</u>	<u>436,043</u>	<u>1,916,657</u>	<u>5,299,358</u>
Depreciation				
As at 1 April 2007	296,313	277,363	1,392,755	1,966,431
Eliminated on disposals	-	-	(270,377)	(270,377)
Charge for the year	58,933	33,220	251,335	343,488
As at 31 March 2008	<u>355,246</u>	<u>310,583</u>	<u>1,373,713</u>	<u>2,039,542</u>
Net book value				
As at 31 March 2008	<u>2,591,412</u>	<u>125,460</u>	<u>542,944</u>	<u>3,259,816</u>
As at 31 March 2007	<u>2,530,007</u>	<u>92,268</u>	<u>470,542</u>	<u>3,092,817</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

10 Investments held as fixed assets

Company

Group shares
£

Cost

As at 1 April 2007 and 31 March 2008

25,920,761

Net book value

As at 31 March 2008

25,920,761

As at 31 March 2007

25,920,761

The investment represents 100% of the ordinary share capital of Wallaces of Ayr Limited, a company incorporated in Great Britain that is involved in the wholesale licensed trade.

The results of Wallaces of Ayr Limited for the year ended 31st March 2008 are included in the consolidated financial statements of the group.

11 Stocks and work in progress

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Stocks	<u>6,835,681</u>	<u>4,619,863</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	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	5,653,141	5,927,273	-	-
Other debtors	19,457	21,718	-	-
Prepayments and accrued income	<u>854,522</u>	<u>576,694</u>	<u>-</u>	<u>-</u>
	<u>6,527,120</u>	<u>6,525,685</u>	<u>-</u>	<u>-</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

13 Creditors: Amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans and overdrafts	2,549,058	1,000,000	5,410,321	1,727,385
Trade creditors	4,608,344	2,743,805	-	-
Amounts owed to group undertakings	-	-	12,580,349	13,018,683
Corporation tax	389,355	534,892	-	-
Social security and other taxes	665,810	904,123	5,250	-
Other creditors	101,767	102,344	-	-
Accruals and deferred income	95,248	73,676	32,800	63,676
	<u>8,409,582</u>	<u>5,358,840</u>	<u>18,028,720</u>	<u>14,809,744</u>

14 Creditors: Amounts falling due after more than one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans and overdrafts	6,509,397	2,463,567	6,509,397	2,463,568
Variable unsecured loan notes due 1-2 years	-	7,330,000	-	7,330,000
	<u>6,509,397</u>	<u>9,793,567</u>	<u>6,509,397</u>	<u>9,793,568</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

15 Maturation of borrowings

Group

Amounts repayable:

	Variable unsecured loan notes £	Bank loans & overdrafts £	Total £
As at 31 March 2008			
In one year or less on demand	-	2,549,058	2,549,058
Between one and two years	-	2,000,000	2,000,000
Between two and five years	-	4,509,397	4,509,397
	<u>-</u>	<u>9,058,455</u>	<u>9,058,455</u>
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>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

Company

Amounts repayable:

	Variable unsecured loan notes £	Bank loans & overdrafts £	Total £
As at 31 March 2008			
In one year or less on demand	-	5,410,321	5,410,321
Between one and two years	-	2,000,000	2,000,000
Between two and five years	-	4,509,397	4,509,397
	<u>-</u>	<u>11,919,718</u>	<u>11,919,718</u>
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>

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.

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

17 Provisions for liabilities

Group

	Deferred tax provision £
As at 1 April 2007	116,362
Deferred tax provision charged to the profit and loss account	8,102
As at 31 March 2008	<u>124,464</u>

Deferred tax

Deferred tax is provided at 30.00% (2007 - 30.00%).

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Timing differences in respect of excess capital allowances over depreciation	<u>124,464</u>	<u>116,362</u>	<u>-</u>	<u>-</u>

18 Share capital

	2008 £	2007 £
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	250,000	250,000
	<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	250,000	250,000
	<u>1,250,000</u>	<u>1,250,000</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

..... continued

19 Reserves

Group

	Profit and loss reserve £
Balance at 1 April 2007	4,354,992
Transfer from profit and loss account for the year	1,161,227
Dividends	-
Balance at 31 March 2008	<u>5,516,219</u>

Company

	Profit and loss reserve £
Balance at 1 April 2007	67,449
Transfer from profit and loss account for the year	65,195
Balance at 31 March 2008	<u>132,644</u>

20 Reconciliation of movements in shareholders' funds

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Profit attributable to members of the group/company	1,161,227	1,498,209	65,195	4,251
Dividends	-	-	-	-
	<u>1,161,227</u>	<u>1,498,209</u>	<u>65,195</u>	<u>4,251</u>
Opening equity shareholders' funds	5,604,992	4,106,782	1,317,449	1,313,198
Closing equity shareholders' funds	<u>6,766,219</u>	<u>5,604,992</u>	<u>1,382,644</u>	<u>1,317,449</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

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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 £21,000 (2007 - £31,000).

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

	2008 £	2007 £
Operating profit	2,525,919	3,181,065
Depreciation, amortisation and impairment charges	1,310,253	1,327,827
Profit on disposal of fixed assets	(32,211)	(23,055)
(Increase)/decrease in stocks	(2,215,818)	141,651
(Increase)/decrease in debtors	(1,435)	260,711
Increase/(decrease) in creditors	1,647,221	(1,585,704)
Net cash inflow from operating activities	<u>3,233,929</u>	<u>3,302,495</u>

23 Analysis of net debt

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	482,466	(1,030,644)	(548,178)
Bank overdraft	-	-	-
Cash and bank net debt	<u>482,466</u>	<u>(1,030,644)</u>	<u>(548,178)</u>
Debt due within one year	(1,000,000)	(1,000,000)	(2,000,000)
Debt due after one year	(9,793,567)	3,284,170	(6,509,397)
Change in debt	<u>(10,793,567)</u>	<u>2,284,170</u>	<u>(8,509,397)</u>
Net debt	<u>(10,311,101)</u>	<u>1,253,526</u>	<u>(9,057,575)</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2008

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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.

During the year interest of £25,964 was paid to the trustees of the DS Cosh Trust on the variable unsecured loan notes.