

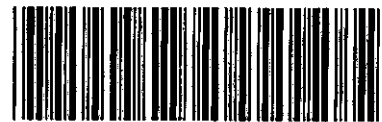
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Registration number: SC247082

Wallaces Express Limited
Directors' Report and Consolidated Financial Statements
for the Year Ended 31 March 2009

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

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04/07/2009

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Wallaces Express Limited

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Wallaces Express Limited
Company Information

Directors	B J Calder C Cosh
Secretary	C Cosh
Registered office	10 Crompton Way North Newmoor Industrial Estate IRVINE Ayrshire KA11 4HU
Bank	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 2009

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2009.

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

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

Business review

Development and performance of the business

	2009	2008	2007	2006	2005
Turnover	£69,962,771	£61,985,854	£65,530,824	£65,773,364	£65,183,648
Turnover growth	13%	(5)%	%	1%	(253)%
Gross profit margin	17%	16%	16%	16%	15%
Profit before tax	£1,312,252	£2,103,793	£2,563,233	£2,530,512	£2,399,913

Position of the business

At the end of the year, the net assets totalled £7,457,579 (2008 - £6,766,219).

Wallaces Express Limited
Directors' Report for the Year Ended 31 March 2009

..... continued

Financial risk

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from financial institutions. The interest rates and monthly repayments are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

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

The directors who held office during the year were as follows:

- B J Calder
- C Cosh

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.

Wallaces Express Limited
Directors' Report for the Year Ended 31 March 2009

..... *continued*

Approved by the Board on 30 June 2009 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 2009 set out on pages 7 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 group 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 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 2009 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

30 June 2009

Riversleigh
9 Kilwinning Road
Irvine
Ayrshire
KA12 8RR

Wallaces Express Limited
Consolidated Profit and Loss Account for the Year Ended 31 March 2009

	Note	2009 £	2008 £
Turnover	2	69,962,771	61,985,854
Cost of sales		<u>(58,229,543)</u>	<u>(52,047,258)</u>
Gross profit		11,733,228	9,938,596
Administrative expenses		(10,047,731)	(7,412,676)
Other operating income	3	<u>5,104</u>	<u>-</u>
Operating profit	4	1,690,601	2,525,920
Other interest receivable and similar income		1,107	20,689
Interest payable and similar charges	7	<u>(379,456)</u>	<u>(442,816)</u>
Profit on ordinary activities before taxation		1,312,252	2,103,793
Tax on profit on ordinary activities	8	<u>(620,891)</u>	<u>(942,566)</u>
Profit for the financial year	20	691,361	1,161,227
Profit and loss reserve brought forward		<u>5,516,218</u>	<u>4,354,991</u>
Profit and loss reserve carried forward		<u><u>6,207,579</u></u>	<u><u>5,516,218</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.

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 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Intangible assets	9		4,234,400		5,186,165
Tangible assets	10		<u>3,364,211</u>		<u>3,259,815</u>
			7,598,611		8,445,980
Current assets					
Stocks	12	5,725,524		6,835,681	
Debtors	13	7,317,052		6,527,119	
Cash at bank and in hand		<u>2,101</u>		<u>880</u>	
		13,044,677		13,363,680	
Creditors: Amounts falling due within one year	14	<u>(10,103,784)</u>		<u>(8,409,582)</u>	
Net current assets			<u>2,940,893</u>		<u>4,954,098</u>
Total assets less current liabilities			10,539,504		13,400,078
Creditors: Amounts falling due after more than one year	15		(3,000,000)		(6,509,396)
Provisions for liabilities	17		<u>(81,925)</u>		<u>(124,464)</u>
Net assets			<u>7,457,579</u>		<u>6,766,218</u>
Capital and reserves					
Called up share capital	19		1,250,000		1,250,000
Profit and loss reserve	20		<u>6,207,579</u>		<u>5,516,218</u>
Shareholders' funds	21		<u>7,457,579</u>		<u>6,766,218</u>

Approved by the Board on 30 June 2009 and signed on its behalf by:



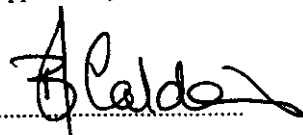
B J Calder
Director

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

Wallaces Express Limited
Balance Sheet as at 31 March 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Investments	11		25,920,761		25,920,761
Current assets					
Debtors	13	55		-	
Creditors: Amounts falling due within one year	14	<u>(21,509,635)</u>		<u>(18,028,721)</u>	
Net current liabilities			<u>(21,509,580)</u>		<u>(18,028,721)</u>
Total assets less current liabilities			4,411,181		7,892,040
Creditors: Amounts falling due after more than one year	15		<u>(3,000,000)</u>		<u>(6,509,396)</u>
Net assets			<u>1,411,181</u>		<u>1,382,644</u>
Capital and reserves					
Called up share capital	19		1,250,000		1,250,000
Profit and loss reserve	20		161,181		132,644
Shareholders' funds	21		<u>1,411,181</u>		<u>1,382,644</u>

Approved by the Board on 30 June 2009 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 2009

		2009	2008
	Note	£	£
Net cash flow from operating activities	23	4,863,667	3,233,929
Returns on investment and servicing of finance	24	(378,349)	(422,127)
Taxation	24	(999,934)	(1,080,000)
Capital expenditure and financial investment			
Sale of intangible fixed assets		-	40,255
Purchase of tangible fixed assets		(513,138)	(518,531)
Sale of tangible fixed assets		32,599	-
		<u>(480,539)</u>	<u>(478,276)</u>
Cash inflow before management of liquid resources and financing		3,004,845	1,253,526
Financing			
Increase in loans and borrowings		-	5,045,830
Repayment of loans and borrowings		(4,509,397)	(7,330,000)
		<u>(4,509,397)</u>	<u>(2,284,170)</u>
Decrease in cash		<u>(1,504,552)</u>	<u>(1,030,644)</u>

Reconciliation of net cash flow to movement in net debt

		2009	2008
	Note	£	£
Decrease in cash in the year	25	(1,504,552)	(1,030,644)
Cash outflow from decrease in debt and lease financing		<u>4,509,397</u>	<u>2,284,170</u>
Change in net funds resulting from cash flows		3,004,845	1,253,526
Net debt at the start of the year	25	<u>(9,057,575)</u>	<u>(10,311,101)</u>
Net debt at the end of the year	25	<u>(6,052,730)</u>	<u>(9,057,575)</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 2009

1 Accounting policies

Basis of preparation

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

Consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2009. 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.

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 £28,537 (2008 - £65,195).

Turnover

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

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.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, 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
Computer equipment and software	10 years straight line basis

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 2009

.....continued

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2 Turnover

An analysis of turnover by geographical market is given below:

	2009 £	2008 £
Sales - UK	<u>69,962,771</u>	<u>61,985,854</u>

3 Other operating income

	2009 £	2008 £
Other income	<u>5,104</u>	<u>-</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

4 Operating profit

Operating profit is stated after charging/(crediting):

	2009		2008	
	£	£	£	£
Auditors' remuneration				
Auditors remuneration	1,500		1,500	
The audit of the company's subsidiaries' annual accounts	7,500		6,000	
		9,000		7,500
Auditors' remuneration - non audit services				
Company		603		131
Group		6,852		6,381
Profit on sale of fixed assets		(8,425)		(32,211)
Depreciation of owned tangible fixed assets		384,569		343,488
Amortisation of intangible fixed assets		951,765		966,765

5 Particulars of employees

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

	2009 No.	2008 No.
Retail and distribution	247	176
Administrative staff (including directors)	53	33
	<u>300</u>	<u>209</u>

The aggregate payroll costs of these persons were as follows:

	2009 £	2008 £
Wages and salaries	5,165,204	3,783,071
Social security costs	457,923	337,301
Other pension costs	38,116	21,000
	<u>5,661,243</u>	<u>4,141,372</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

6 Directors' emoluments

The directors' emoluments for the year are as follows:

	2009 £	2008 £
Directors' remuneration (including benefits in kind)	329,192	288,069
Directors' money purchase schemes	14,000	14,000
	<u>343,192</u>	<u>302,069</u>

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

	2009 No.	2008 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 £181,310 (2008 - £176,310), and company pension contributions of £12,000 (2008 - £12,000) were made to a money purchase scheme on their behalf.

7 Interest payable and similar charges

	2009 £	2008 £
Interest on bank borrowings	<u>379,456</u>	<u>442,816</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

8 Taxation

Analysis of current period tax charge

	2009 £	2008 £
Current tax		
Corporation tax charge	663,430	934,525
(Over)/under provision in previous year	-	(61)
UK Corporation tax	<u>663,430</u>	<u>934,464</u>
Deferred tax		
Origination and reversal of timing differences	<u>(42,539)</u>	<u>8,102</u>
Total tax on profit on ordinary activities	<u>620,891</u>	<u>942,566</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2008 - higher than) the standard rate of corporation tax in the UK of 28.00% (2008 - 30.00%).

The differences are reconciled below:

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>1,312,252</u>	<u>2,103,793</u>
Standard rate corporation tax charge	367,431	631,138
Expenses not deductible for tax purposes	13,129	7,549
Depreciation in excess of capital allowances	282,870	295,838
Over provision in respect of previous periods	-	(61)
Total current tax for the year	<u>663,430</u>	<u>934,464</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... *continued*

9 Intangible fixed assets

Group

	Goodwill £
Cost	
As at 1 April 2008 and 31 March 2009	<u>9,667,653</u>
Amortisation	
As at 1 April 2008	4,481,488
Charge for the year	<u>951,765</u>
As at 31 March 2009	<u>5,433,253</u>
Net book value	
As at 31 March 2009	<u>4,234,400</u>
As at 31 March 2008	<u>5,186,165</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

.....continued

10 Tangible fixed assets

Group

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment and software £	Total £
Cost					
As at 1 April 2008	2,946,657	436,043	1,916,659	-	5,299,359
Additions	14,933	115,257	345,087	37,862	513,139
Disposals	-	-	(199,854)	-	(199,854)
As at 31 March 2009	<u>2,961,590</u>	<u>551,300</u>	<u>2,061,892</u>	<u>37,862</u>	<u>5,612,644</u>
Depreciation					
As at 1 April 2008	355,246	310,584	1,373,713	-	2,039,543
Eliminated on disposals	-	-	(175,679)	-	(175,679)
Charge for the year	59,232	42,887	278,664	3,786	384,569
As at 31 March 2009	<u>414,478</u>	<u>353,471</u>	<u>1,476,698</u>	<u>3,786</u>	<u>2,248,433</u>
Net book value					
As at 31 March 2009	<u>2,547,112</u>	<u>197,829</u>	<u>585,194</u>	<u>34,076</u>	<u>3,364,211</u>
As at 31 March 2008	<u>2,591,411</u>	<u>125,459</u>	<u>542,946</u>	<u>-</u>	<u>3,259,816</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

11 Investments held as fixed assets

Company

Group shares
£

Cost

As at 1 April 2008 and 31 March 2009

25,920,761

Net book value

As at 31 March 2009

25,920,761

As at 31 March 2008

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 2009 are included in the consolidated financial statements of the group.

12 Stocks and work in progress

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Stocks	<u>5,725,524</u>	<u>6,835,681</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is immaterial.

13 Debtors

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	6,241,312	5,653,141	-	-
Other debtors	11,513	19,457	55	-
Prepayments and accrued income	<u>1,064,227</u>	<u>854,521</u>	<u>-</u>	<u>-</u>
	<u>7,317,052</u>	<u>6,527,119</u>	<u>55</u>	<u>-</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

14 Creditors: Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts	3,054,831	2,549,058	1,131,104	5,410,321
Trade creditors	6,123,848	4,608,344	-	-
Amounts owed to group undertakings	-	-	20,376,481	12,580,350
Corporation tax	52,851	389,355	-	-
Social security and other taxes	696,504	665,810	-	5,250
Other creditors	116,668	101,767	-	-
Accruals and deferred income	59,082	95,248	2,050	32,800
	<u>10,103,784</u>	<u>8,409,582</u>	<u>21,509,635</u>	<u>18,028,721</u>

15 Creditors: Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts	<u>3,000,000</u>	<u>6,509,396</u>	<u>3,000,000</u>	<u>6,509,396</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

16 Maturation of borrowings

Group

Amounts repayable:

**Bank loans &
overdrafts**
£

As at 31 March 2009

In one year or less on demand
Between one and two years
Between two and five years

3,054,831
1,000,000
2,000,000
6,054,831

As at 31 March 2008

In one year or less on demand
Between one and two years
Between two and five years

2,549,058
2,000,000
4,509,396
9,058,454

Company

Amounts repayable:

**Bank loans &
overdrafts**
£

As at 31 March 2009

In one year or less on demand
Between one and two years
Between two and five years

1,131,104
1,000,000
2,000,000
4,131,104

As at 31 March 2008

In one year or less on demand
Between one and two years
Between two and five years

5,410,321
2,000,000
4,509,396
11,919,717

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

16.1 Security of borrowings

The bank loan and overdrafts are secured by a standard security and a floating charge over the property and undertakings of the group.

17 Provisions for liabilities

Group

	Deferred tax provision £
As at 1 April 2008	124,464
Deferred tax provision charged to the profit and loss account	<u>(42,539)</u>
As at 31 March 2009	<u>81,925</u>

Deferred tax

Deferred tax is provided at 28.00% (2008 - 30.00%).

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Timing differences in respect of excess capital allowances over depreciation	<u>81,925</u>	<u>124,464</u>	<u>-</u>	<u>-</u>

18 Pension scheme

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 £38,116 (2008 - £21,000).

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

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

19 Share capital

	2009 £	2008 £
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>

20 Reserves

Group

	Profit and loss reserve £
Balance at 1 April 2008	5,516,218
Transfer from profit and loss account for the year	691,361
Balance at 31 March 2009	<u>6,207,579</u>

Company

	Profit and loss reserve £
Balance at 1 April 2008	132,644
Transfer from profit and loss account for the year	28,537
Balance at 31 March 2009	<u>161,181</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

.....continued

21 Reconciliation of movements in shareholders' funds

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Profit attributable to members of the group / company	691,361	1,161,227	28,537	65,195
Opening shareholders' funds	<u>6,766,218</u>	<u>5,604,991</u>	<u>1,382,644</u>	<u>1,317,449</u>
Closing shareholders' funds	<u>7,457,579</u>	<u>6,766,218</u>	<u>1,411,181</u>	<u>1,382,644</u>

22 Operating lease commitments

Group

As at 31 March 2009 the group had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Other	
	2009 £	2008 £
Within one year	58,446	-
Within two and five years	<u>30,968</u>	<u>-</u>
	<u>89,414</u>	<u>-</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

23 Reconciliation of operating profit to operating cash flows

	2009 £	2008 £
Operating profit	1,690,601	2,525,919
Depreciation, amortisation and impairment charges	1,336,334	1,310,253
Profit on disposal of fixed assets	(8,425)	(32,211)
Decrease/(increase) in stocks	1,110,157	(2,215,818)
Increase in debtors	(789,933)	(1,435)
Increase in creditors	1,524,933	1,647,221
Net cash inflow from operating activities	<u>4,863,667</u>	<u>3,233,929</u>

24 Analysis of cash flows

	2009 £	2008 £
Returns on investment and servicing of finance		
Other interest paid	(379,456)	(442,816)
Interest received	1,107	20,689
	<u>(378,349)</u>	<u>(422,127)</u>
Taxation		
Taxation paid	<u>(999,934)</u>	<u>(1,080,000)</u>

25 Analysis of net debt

	At start of period £	Cash flow £	Other non-cash changes £	At end of period £
Cash at bank and in hand	(548,178)	1,221	-	(546,957)
Bank overdraft	-	(1,505,773)	-	(1,505,773)
Cash and bank net funds	<u>(548,178)</u>	<u>(1,504,552)</u>	-	<u>(2,052,730)</u>
Debt due within one year	(2,000,000)	2,000,000	(1,000,000)	(1,000,000)
Debt due after one year	<u>(6,509,397)</u>	<u>2,509,397</u>	<u>1,000,000</u>	<u>(3,000,000)</u>
Change in debt	<u>(8,509,397)</u>	<u>4,509,397</u>	-	<u>(4,000,000)</u>
Net debt	<u>(9,057,575)</u>	<u>3,004,845</u>	-	<u>(6,052,730)</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2009

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26 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.