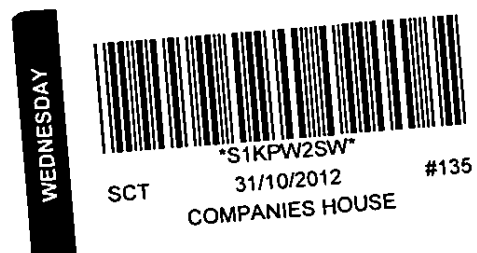


Wallaces Express Limited

Directors' Report and Consolidated Financial Statements

for the Year Ended 31 March 2012



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
Company Information

Directors	B J Calder C Cosh D S Cosh
Company secretary	C Cosh
Registered office	10 Crompton Way North Newmoor Industrial Estate IRVINE Ayrshire KA11 4HU
Bankers	The Royal Bank of Scotland 69 High Street Irvine KA12 0AL
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 2012

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

Directors of the company

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

B J Calder

C Cosh

D S Cosh (appointed 7 November 2011)

Principal activity

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

Business review

Fair review of the business

The results for the year are satisfactory considering the economic climate. With prudent management and purchasing policies the company has been able to improve the gross profit percentage from 15.97% to 16.24%. This has minimised the effect of the reduction in turnover. With reductions in operating costs the overall performance continues to improve.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2012	2011
Turnover	£	82,739,964	84,274,525
Turnover growth	%	-	3
Turnover reduction	%	2	-
Gross profit margin	%	16	16
Profit before tax	£	3,040,297	2,907,575
Net Assets Total	£	12,126,154	10,652,006

Financial instruments

Principal risks and uncertainties

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors and trade creditors. 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 the business cash balances are held in such a way that achieves a competitive rate of interest.

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.

Employment of disabled persons

The company is an equal opportunities employer. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned and the implications of the Equality Act 2010. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged.

Employee involvement

Our people are central to the future development of the business. We communicate with our people to strive to reach the highest standards in all aspects of employment policy and practice and to ensure that our people are achieving their potential.

Wallaces Express Limited
Directors' Report for the Year Ended 31 March 2012

..... continued

Disclosure of information to the auditors

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 group'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.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Robert J Hart & Company as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 7 June 2012 and signed on its behalf by:



.....
C Cosh
Director

Wallaces Express Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Wallaces Express Limited

We have audited the financial statements of Wallaces Express Limited for the year ended 31 March 2012, set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Wallaces Express Limited**

..... continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter J McLean (Senior Statutory Auditor)

For and on behalf of Robert J Hart & Company, Statutory Auditor

Riversleigh
9 Kilwinning Road
Irvine
Ayrshire
KA12 8RR

7 June 2012

Wallaces Express Limited
Consolidated Profit and Loss Account for the Year Ended 31 March 2012

	Note	2012 £	2011 £
Turnover	2	82,739,963	84,274,525
Cost of sales		<u>(69,299,215)</u>	<u>(70,819,883)</u>
Gross profit		13,440,748	13,454,642
Administrative expenses		<u>(10,232,475)</u>	<u>(10,321,880)</u>
Group operating profit	3	3,208,273	3,132,762
Other interest receivable and similar income	7	1,257	1,099
Interest payable and similar charges	8	<u>(169,234)</u>	<u>(226,286)</u>
Profit on ordinary activities before taxation		3,040,296	2,907,575
Tax on profit on ordinary activities	9	<u>(1,066,151)</u>	<u>(1,088,240)</u>
Profit for the financial year attributable to members of the parent company	20	<u><u>1,974,145</u></u>	<u><u>1,819,335</u></u>

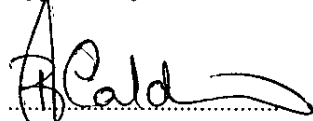
Turnover and operating profit derive wholly from continuing operations.

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

Wallaces Express Limited
Consolidated Balance Sheet at 31 March 2012

		2012		2011	
	Note	£	£	£	£
Fixed assets					
Intangible fixed assets	10		1,441,304		2,351,601
Tangible fixed assets	11		3,324,868		3,351,811
Fixed asset investment	12		452,260		-
			<u>5,218,432</u>		<u>5,703,412</u>
Current assets					
Stocks	13	11,379,055		11,253,689	
Debtors	14	8,723,037		9,301,479	
Cash at bank and in hand		537		1,119	
		<u>20,102,629</u>		<u>20,556,287</u>	
Creditors: Amounts falling due within one year	15	(13,127,171)		(14,532,756)	
Net current assets			<u>6,975,458</u>		<u>6,023,531</u>
Total assets less current liabilities			12,193,890		11,726,943
Creditors: Amounts falling due after more than one year	16		-		(1,000,000)
Provisions for liabilities	17		(67,736)		(74,937)
Net assets			<u>12,126,154</u>		<u>10,652,006</u>
Capital and reserves					
Called up share capital	18	1,250,000		1,250,000	
Profit and loss account	20	10,876,154		9,402,006	
Shareholders' funds	21		<u>12,126,154</u>		<u>10,652,006</u>

Approved by the Board on 7 June 2012 and signed on its behalf by:

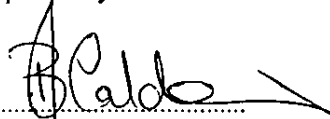


B J Calder
Director

Wallaces Express Limited
(Registration number: SC247082)
Balance Sheet at 31 March 2012

	Note	2012 £	2011 £
Fixed assets			
Investments	12	<u>25,920,762</u>	<u>25,920,761</u>
Current assets			
Cash at bank and in hand		-	3,667,000
Creditors: Amounts falling due within one year	15	<u>(24,646,247)</u>	<u>(27,110,164)</u>
Net current liabilities		<u>(24,646,247)</u>	<u>(23,443,164)</u>
Total assets less current liabilities		1,274,515	2,477,597
Creditors: Amounts falling due after more than one year	16	-	<u>(1,000,000)</u>
Net assets		<u>1,274,515</u>	<u>1,477,597</u>
Capital and reserves			
Called up share capital	18	1,250,000	1,250,000
Profit and loss account	20	<u>24,515</u>	<u>227,597</u>
Shareholders' funds	21	<u>1,274,515</u>	<u>1,477,597</u>

Approved by the Board on 7 June 2012 and signed on its behalf by:



 B J Calder
 Director

Wallaces Express Limited
Consolidated Cash Flow Statement for the Year Ended 31 March 2012

Reconciliation of operating profit to net cash flow from operating activities

	2012 £	2011 £
Operating profit	3,208,273	3,132,762
Depreciation, amortisation and impairment charges	1,405,392	1,395,905
Profit on disposal of fixed assets	(12,335)	(17,352)
Increase in stocks	(125,366)	(2,363,010)
Decrease/(increase) in debtors	578,442	(294,405)
Increase/(decrease) in creditors	1,517,244	(511,963)
Net cash inflow from operating activities	<u>6,571,650</u>	<u>1,341,937</u>

Cash flow statement

	2012 £	2011 £
Net cash inflow from operating activities	<u>6,571,650</u>	<u>1,341,937</u>
Returns on investments and servicing of finance		
Interest received	1,257	1,099
Interest paid	<u>(169,234)</u>	<u>(226,286)</u>
	<u>(167,977)</u>	<u>(225,187)</u>
Tax paid	<u>(1,240,859)</u>	<u>(1,217,630)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(473,513)	(580,579)
Sale of tangible fixed assets	<u>17,700</u>	<u>40,241</u>
	<u>(455,813)</u>	<u>(540,338)</u>
Acquisitions and disposals		
Acquisition of investments in associates and joint ventures	(452,260)	-
Equity dividends paid	<u>(500,000)</u>	<u>-</u>
Net cash inflow/(outflow) before management of liquid resources and financing	3,754,741	(641,218)
Financing		
Repayment of loans and borrowings	<u>(5,000,000)</u>	<u>3,000,000</u>
(Decrease)/increase in cash	<u><u>(1,245,259)</u></u>	<u><u>2,358,782</u></u>

Wallaces Express Limited

Consolidated Cash Flow Statement for the Year Ended 31 March 2012

..... continued

Reconciliation of net cash flow to movement in net debt

	Note	2012 £	2011 £
(Decrease)/increase in cash		(1,245,260)	2,358,781
Cash outflow from repayment of loans		<u>5,000,000</u>	<u>(3,000,000)</u>
Change in net debt resulting from cash flows	24	<u>3,754,740</u>	<u>(641,219)</u>
Movement in net debt	24	3,754,740	(641,219)
Net debt at 1 April	24	<u>(6,696,288)</u>	<u>(6,055,069)</u>
Net debt at 31 March	24	<u>(2,941,548)</u>	<u>(6,696,288)</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

1 Accounting policies

Basis of preparation

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

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2012.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £296,918 (2011 - £33,152).

Turnover

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

Goodwill

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.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

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:

Asset class	Amortisation method and rate
Goodwill	10 years straight line

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:

Asset class	Depreciation method and rate
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

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

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 2012

..... continued

Deferred tax

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.

Hire purchase and leasing

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

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. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

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

2 Turnover

An analysis of turnover by geographical location is given below:

	2012 £	2011 £
Sales - UK	<u>82,739,963</u>	<u>84,274,525</u>

3 Operating profit

Operating profit is stated after charging:

	2012 £	2011 £
Profit on sale of tangible fixed assets	(12,335)	(17,352)
Depreciation of owned assets	495,095	464,871
Amortisation	910,297	931,034
Auditor's remuneration	<u>22,961</u>	<u>14,340</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

4 Auditor's remuneration

	2012 £	2011 £
Audit of the financial statements	<u>2,250</u>	<u>2,000</u>
Other fees to auditors		
The audit of the company's subsidiaries' annual accounts	12,500	8,750
Other services	<u>8,211</u>	<u>3,590</u>
	<u>20,711</u>	<u>12,340</u>
	<u>22,961</u>	<u>14,340</u>

£2,250 (2011 - £2,000) of the fee for auditing the financial statements and £657 (2011 - £523) of other fees to auditors relates to the company.

5 Particulars of employees

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

	2012 No.	2011 No.
Administration and support	64	52
Production	<u>231</u>	<u>244</u>
	<u>295</u>	<u>296</u>

The aggregate payroll costs were as follows:

	2012 £	2011 £
Wages and salaries	5,635,241	5,785,336
Social security costs	485,737	489,269
Staff pensions	<u>35,764</u>	<u>51,259</u>
	<u>6,156,742</u>	<u>6,325,864</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2012 £	2011 £
Remuneration (including benefits in kind)	389,727	394,540
Company contributions paid to money purchase schemes	<u>13,833</u>	<u>18,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2012 No.	2011 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2012 £	2011 £
Remuneration	210,885	224,076
Company contributions to money purchase pension schemes	<u>12,000</u>	<u>12,000</u>

7 Other interest receivable and similar income

	2012 £	2011 £
Bank interest receivable	<u>1,257</u>	<u>1,099</u>

8 Interest payable and similar charges

	2012 £	2011 £
Interest on bank borrowings	<u>169,234</u>	<u>226,286</u>

9 Taxation

Tax on profit on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax charge	1,071,734	1,091,809
Adjustments in respect of previous years	<u>1,618</u>	<u>-</u>
UK Corporation tax	1,073,352	1,091,809
Deferred tax		
Origination and reversal of timing differences	<u>(7,201)</u>	<u>(3,569)</u>
Total tax on profit on ordinary activities	<u>1,066,151</u>	<u>1,088,240</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 26% (2011 - 28%).

The differences are reconciled below:

	2012 £	2011 £
Profit on ordinary activities before taxation	3,040,296	2,907,575
Corporation tax at standard rate	790,477	814,121
Capital allowances in excess of depreciation	255,496	276,265
Disallowable expenses	25,760	2,744
Over provision in previous year	1,619	(1,321)
Total current tax	1,073,352	1,091,809

10 Intangible fixed assets

Group

	Goodwill £	Total £
Cost		
At 1 April 2011	9,667,653	9,667,653
At 31 March 2012	9,667,653	9,667,653
Amortisation		
At 1 April 2011	7,316,052	7,316,052
Charge for the year	910,297	910,297
At 31 March 2012	8,226,349	8,226,349
Net book value		
At 31 March 2012	1,441,304	1,441,304
At 31 March 2011	2,351,601	2,351,601

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

11 Tangible fixed assets

Group

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment & software £	Total £
Cost or valuation					
At 1 April 2011	2,961,591	584,520	2,303,653	37,862	5,887,626
Additions	-	1,960	471,553	-	473,513
Disposals	-	-	(171,037)	-	(171,037)
At 31 March 2012	<u>2,961,591</u>	<u>586,480</u>	<u>2,604,169</u>	<u>37,862</u>	<u>6,190,102</u>
Depreciation					
At 1 April 2011	532,941	446,552	1,544,958	11,361	2,535,812
Charge for the year	59,232	40,031	392,046	3,785	495,094
Eliminated on disposals	-	-	(165,672)	-	(165,672)
At 31 March 2012	<u>592,173</u>	<u>486,583</u>	<u>1,771,332</u>	<u>15,146</u>	<u>2,865,234</u>
Net book value					
At 31 March 2012	<u>2,369,418</u>	<u>99,897</u>	<u>832,837</u>	<u>22,716</u>	<u>3,324,868</u>
At 31 March 2011	<u>2,428,650</u>	<u>137,968</u>	<u>758,695</u>	<u>26,501</u>	<u>3,351,814</u>

12 Investments held as fixed assets

Group

Investments held as fixed assets

	Joint ventures and associates £	Total £
Cost		
Additions	<u>452,260</u>	<u>452,260</u>
At 31 March 2012	<u>452,260</u>	<u>452,260</u>
Net book value		
At 31 March 2012	<u>452,260</u>	<u>452,260</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

Company

	2012 £	2011 £
Shares in group undertakings and participating interests	<u>25,920,762</u>	<u>25,920,761</u>
Shares in group undertakings and participating interests		
	Subsidiary undertakings £	Total £
Cost		
At 1 April 2011	25,920,761	25,920,761
Additions	<u>1</u>	<u>1</u>
At 31 March 2012	<u>25,920,762</u>	<u>25,920,762</u>
Net book value		
At 31 March 2012	<u>25,920,762</u>	<u>25,920,762</u>
At 31 March 2011	<u>25,920,761</u>	<u>25,920,761</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Wallaces of Ayr Limited	Ordinary shares	100%	Licensed trade wholesaler
Macrocom (1018) Limited	Ordinary shares	100%	Investment Company

13 Stocks

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Stocks	<u>11,379,055</u>	<u>11,253,689</u>	<u>-</u>	<u>-</u>

14 Debtors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	7,113,372	7,510,871	-	-
Other debtors	47,375	66,653	-	-
Prepayments and accrued income	<u>1,562,290</u>	<u>1,723,955</u>	<u>-</u>	<u>-</u>
	<u>8,723,037</u>	<u>9,301,479</u>	<u>-</u>	<u>-</u>

15 Creditors: Amounts falling due within one year

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade creditors	8,463,634	7,225,710	-	-
Bank loans and overdrafts	2,942,085	5,697,407	3,176,733	5,000,000
Amounts owed to group undertakings	-	-	21,460,351	22,085,349
Corporation tax	314,352	481,859	-	-
Other taxes and social security	952,128	589,205	-	-
Other creditors	2,549	154,292	-	-
Accruals and deferred income	<u>452,423</u>	<u>384,283</u>	<u>9,163</u>	<u>24,815</u>
	<u>13,127,171</u>	<u>14,532,756</u>	<u>24,646,247</u>	<u>27,110,164</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the group/company:

Group

	2012 £	2011 £
Bank loans and overdrafts	<u>2,942,086</u>	<u>5,697,408</u>

The bank loans and overdrafts are secured by standard security and a Bond and Floating charge over the property and undertakings of the group.

Company

	2012 £	2011 £
Bank loans and overdrafts	<u>3,176,734</u>	<u>5,000,000</u>

The bank loans and overdrafts are secured by a Bond and Floating charge over the property and undertakings of the company. An unlimited inter company guarantee has been provided to the company bankers by the subsidiary undertaking, Wallaces of Ayr Limited.

16 Creditors: Amounts falling due after more than one year

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans and overdrafts	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the group/company:

Group

	2012 £	2011 £
Bank loans and overdrafts	-	1,000,000

Company

	2012 £	2011 £
Bank loans and overdrafts	-	1,000,000

The bank loans and overdrafts are secured by a Bond and Floating charge over the property and undertakings of the company. An unlimited inter company guarantee has been provided to the company bankers by the subsidiary undertaking, Wallaces of Ayr Limited.

17 Provisions

Group

	Deferred tax £	Total £
At 1 April 2011	74,937	74,937
Credited to the profit and loss account	(7,201)	(7,201)
At 31 March 2012	67,736	67,736

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	(7,201)	(3,569)

18 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
A Ordinary shares of £1 each	500,000	500,000	500,000	500,000
B Ordinary shares of £1 each	500,000	500,000	500,000	500,000
C Ordinary shares of £1 each	250,000	250,000	250,000	250,000
	<u>1,250,000</u>	<u>1,250,000</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 2012

..... continued

19 Dividends

	2012 £	2011 £
Dividends paid		
Prior year final dividend paid	<u>500,000</u>	<u>-</u>

20 Reserves

Group

	Profit and loss account £	Total £
At 1 April 2011	9,402,009	9,402,009
Profit for the year	1,974,145	1,974,145
Dividends	<u>(500,000)</u>	<u>(500,000)</u>
At 31 March 2012	<u>10,876,154</u>	<u>10,876,154</u>

Company

	Profit and loss account £	Total £
At 1 April 2011	227,597	227,597
Profit for the year	296,918	296,918
Dividends	<u>(500,000)</u>	<u>(500,000)</u>
At 31 March 2012	<u>24,515</u>	<u>24,515</u>

21 Reconciliation of movement in shareholders' funds

Group

	2012 £	2011 £
Profit attributable to the members of the group	1,974,145	1,819,335
Dividends	<u>(500,000)</u>	<u>-</u>
Net addition to shareholders' funds	1,474,145	1,819,335
Shareholders' funds at 1 April	<u>10,652,009</u>	<u>8,832,671</u>
Shareholders' funds at 31 March	<u>12,126,154</u>	<u>10,652,006</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... *continued*

Company

	2012 £	2011 £
Profit attributable to the members of the company	296,918	33,152
Dividends	(500,000)	-
Net (reduction)/addition to shareholders' funds	(203,082)	33,152
Shareholders' funds at 1 April	1,477,597	1,444,445
Shareholders' funds at 31 March	<u>1,274,515</u>	<u>1,477,597</u>

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

22 Pension schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £35,764 (2011 - £51,259).

Contributions totalling £2,549 (2011 - £2,567) were payable to the scheme at the end of the year and are included in creditors.

23 Commitments

Operating lease commitments

Group

As at 31 March 2012 the group had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2012 £	2011 £
Land and buildings		
Within two and five years	86,667	166,667
Other		
Within one year	12,631	10,575
Within two and five years	-	25,017
	12,631	35,592

24 Analysis of net debt

	At 1 April 2011 £	Cash flow £	At 31 March 2012 £
Cash at bank and in hand	1,119	(582)	537
Bank overdraft	(697,409)	(1,244,678)	(1,942,087)
	(696,290)	(1,245,260)	(1,941,550)
Debt due within one year	(5,000,000)	4,000,000	(1,000,000)
Debt due after more than one year	(1,000,000)	1,000,000	-
Net debt	(6,696,290)	3,754,740	(2,941,550)

25 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

Wallaces Express Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

..... continued

26 Control

The company is controlled by the directors who own 100% of the called up share capital.