

**Wallaces Express Limited**

Directors' report and financial statements

Registered number SC247082

28 February 2015

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## Company information

**Directors:** B J Calder (resigned 15 June 2015)  
C Cosh (resigned 15 March 2014)  
K E Barclay  
A Daly (resigned 15 June 2015)  
A Campbell (appointed 15 June 2015)  
S Glancey (appointed 15 June 2015)  
D Johnston (appointed 15 June 2015)  
K Neison (appointed 15 June 2015)

**Company secretary:** C&C Management Services Limited

**Principal bankers:** Royal Bank of Scotland  
69 High Street  
Irvine  
Ayrshire  
KA12 0AL

**Solicitors:** McCann FitzGerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2

**Auditors:** KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

**Registered office:** 10 Crompton Way  
North Newmoor Industrial Estate  
Irvine  
Strathclyde  
KA11 4HU

**Registered number:** SC247082

## **Directors' report**

### **Principal activities**

The principal activity of the company is that of a holding company for its subsidiary, Wallaces of Ayr Limited, which is involved in the wholesale licensed trade.

### **Business review and future developments**

The directors consider the results for the year and the position of the company as set out in the financial statements to be satisfactory.

Given the straightforward nature of the business being that of a holding company, the company's directors are of the opinion that analysis using kpi's are not necessary for an understanding of the development, performance or position of the entity.

During the current financial year, on 18 March 2014, the company's intermediate parent undertaking, C&C Holdings Limited, announced the acquisition of the company's remaining 50% equity share capital. This purchase follows the acquisition of a 50% stake in the business in the prior financial year.

During the year the company changes its year end from 31 March to 28 February aligning to the groups reporting period.

### **Director's Report**

The directors present their report and the audited financial statements of Wallaces Express Limited ("the company") for the year ended 28 February 2015.

### **Directors, secretary and their interests**

The directors and secretary who served at any time during the period are set out on page 1.

### **Political and charitable contributions**

The company made no political or charitable donations during the current or preceding financial year.

### **Research and development**

There were no research and development costs during the current financial year

### **Financial Instruments**

The company avoids the use of complex financial instruments

### **Employment of disabled persons**

All applications for employment from disabled persons are given a full and fair consideration, due regard being given to the aptitude and ability of the individual and the requirements of the position concerned. Disabled persons are treated on equal terms with other employees as regards training, career development and promotion. In the event of an existing employee becoming disabled, every effort is made to ensure continuity of employment and that appropriate training is given where necessary.

### **Employee involvement**

During the financial year, the policy of providing employees with information about the company has been continued through the company's website.

### **Post balance sheet events**

No events affecting the company have occurred since the year end.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors report confirm that, so far as they are aware, there is no relevant information of which the company's auditor is unaware; and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish

## Directors' report (*continued*)

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and therefore KPMG LLP will continue in office.

By order of the board

A handwritten signature in dark ink, appearing to read 'K Barclay', written over a horizontal line.

**K Barclay**

*Director*

25 November 2015

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



**KPMG LLP**

191 West George Street  
Glasgow  
G2 2LJ  
United Kingdom

**Independent auditor's report to the members of Wallaces Express Limited**

We have audited the financial statements of Wallaces Express Limited for the period ended 28 February 2015 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor**

As explained more fully in the Directors' Responsibilities Statement 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 Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with UK 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 period for which the financial statements are prepared is consistent with the financial statements.

**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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to produce a strategic report.

**Philip Charles (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
27 November 2015

## Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the company.

### *Basis of preparation*

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

As the company is a wholly owned subsidiary of C&C Group plc, the company has taken advantage of the exemption contained in FRS8 and has, therefore, not disclosed transactions or balances with wholly owned subsidiaries which form part of the group. After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and the financial statements. The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

### *Turnover*

Turnover comprises the fair value of goods supplied to external customers exclusive of VAT after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives. Provision is made for returns where appropriate. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company, that it can be reliably measured, and that the significant risks and rewards of ownership of the goods have passed to the buyer. This is deemed to occur on delivery.

### *Excise duty*

Excise duty is levied at the point of production in the case of the company's manufactured products and at the point of importation in the case of imported products in the key jurisdictions in which the company operates. As the company's manufacturing and warehousing facilities are HMRC approved and registered excise facilities, the excise duty liability generally crystallises on transfer of product from duty in suspense to duty paid status which normally coincides with the point of sale.

### *Net turnover*

Net turnover is defined as turnover less Excise duty. Excise duties which represent a significant proportion of turnover, are set by external regulators over which the company has no control and are generally passed on to the customer, consequently the Directors consider that the disclosure of net turnover enhances the transparency and provides a more meaningful analysis of underlying sales performance.

### *Tangible fixed assets*

Land and buildings are recognised at estimated fair value with the changes in the value of land and buildings reflected in the STRGL to the extent it does not reverse previously recognised losses or as an impairment loss in the profit and loss account to the extent it does not reverse previously recognised revalued gains. The fair value is based on estimated market value at the valuation date, being the estimated amount for which a property could be exchanged in an arms length transaction, to the extent an active market exists. Such valuations are determined based on benchmarking against comparable transactions for similar properties in similar locations as those of the company or on the use of valuation techniques including the use of market yields on comparable properties. If no active market exists, fair value may be determined using a Depreciated Replacement Cost approach.

Plant and machinery is carried at its revalued amount. In view of the specialised nature of the company's plant and machinery and lack of comparable market-based evidence of similar plant sold on a 'going concern' ie as part of a continuing business, upon which to base a market approach of fair value, the company uses a depreciated replacement cost approach to determine a fair value of such assets.

Depreciated replacement cost is assessed, firstly, by the identification of the gross replacement cost for each class of plant & machinery. A depreciation factor derived from both the physical and functional obsolescence of each class of asset, taking into account estimated residual values at the end of the life of each class of asset, is then applied to the gross replacement cost to determine the net replacement cost. An economic obsolescence factor, which is derived based on current and anticipated capacity or utilisation of each class of plant & machinery as a function of total available production capacity, is applied to determine the depreciated replacement cost.

## Statements of accounting policies (*continued*)

### *Tangible fixed assets (continued)*

Motor vehicles and other equipment are stated at cost less accumulated depreciation.

Other than freehold land which is not depreciated, tangible fixed assets were depreciated during the current period on the following basis:

Buildings	2% straight line
Motor Vehicles	15% straight line
Other equipment incl. returnable bottles, cases and kegs	5-25% straight line
Plant & Machinery	15-30% reducing balance

### **Financial fixed assets**

Equity investments are shown as financial fixed assets are stated at cost less provisions for impairment in value.

### **Dividends on shares presented within equity**

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

### **Pension costs**

The company operates a defined contribution pension scheme. Obligations to the defined contribution scheme are recognised as an expense to the profit and loss account as the related employee service is received.

### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

### **Taxation including deferred tax**

The charge for current taxation is based on the profit for the period adjusted to taxable profits.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets.
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### **Cash Flow Statement**

As the company is a wholly owned subsidiary of a company established under the law of a member state of the European Union which is preparing a consolidated cash flow statement, it is availing of the exemption under FRS 1 not to prepare a cash flow statement.

### **Equity settled share based payment transactions**

A C&C Group plc share scheme allows certain employees of its subsidiary companies to acquire shares in C&C Group plc. Employees of the company received such awards during the year and this has been accounted for as a capital contribution. An external valuer determines the fair value at the date of grant of such awards. Share entitlements granted by C&C Group plc are subject to certain non market-based vesting conditions which are not taken into account when estimating the fair value of entitlements as at the grant date. The expense for the share entitlements recognised in the profit and loss account is based on the fair value of the total number of entitlements expected to vest and is allocated to accounting periods on a straight line basis over the vesting period with a corresponding increase in equity. The cumulative charge to the profit and loss account is reversed only where entitlements do not vest because all non-market vesting conditions have not been met or where an employee in receipt of share entitlements leaves the company before the end of the vesting period.

**Profit and Loss Account**  
*for the period ended 28 February 2015*

	<i>Note</i>	<b>11 Month Period ended 28 February 2015 £</b>	<b>Period ended 31 March 2014 £</b>
<b>Turnover</b> – continuing operations		-	-
Excise duties		-	-
		<hr/>	<hr/>
<b>Net turnover</b>			
Operating costs	2	(108,854)	(110,156)
Other operating income	3	175,000	175,000
		<hr/>	<hr/>
<b>Operating profit</b> – continuing operations	1	66,146	64,844
Interest payable	4	(18,832)	(60,666)
Other interest receivable and similar income	5	7,986	4,303
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		55,300	8,481
Taxation	7	(11,707)	(1,950)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	12	43,593	6,531
		<hr/> <hr/>	<hr/> <hr/>

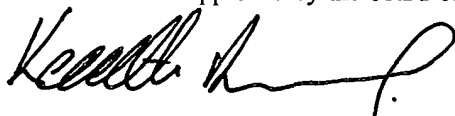
There are no recognised gains or losses in either period other than the profit for the period. Accordingly, no statement of recognised gains and losses is provided.

**Balance Sheet**  
*at 28 February 2015*

	<i>Note</i>	<b>2015</b> £	<b>2014</b> £
<b>Fixed assets</b>			
Investments	8	25,920,762	25,920,762
<b>Current assets</b>			
Debtors	9	175,052	26
		<hr/>	<hr/>
<b>Creditors: amounts falling within one year</b>	10	(24,778,995)	(24,647,562)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(24,603,943)	(24,647,536)
<b>Net assets</b>		<hr/>	<hr/>
		1,316,819	1,273,226
<b>Capital and reserves</b>			
Share capital	11	1,250,000	1,250,000
Profit and loss account	12	66,819	23,226
		<hr/>	<hr/>
<b>Shareholders' funds</b>	12	1,316,819	1,273,226
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 25 November 2015 and were signed on its behalf by:

**K Barclay**  
*Director*



Company registered number: SC247082

**Notes**  
*(forming part of the financial statements)*

**1 Operating profit**

	Period Ended 28 February 2015 £	Year Ended 31 March 2014 £
<i>The operating profit has been arrived after charging:</i>		
Director's remuneration	-	-
Auditor's remuneration	-	3,250
	<u>          </u>	<u>          </u>

Auditor remuneration (2014: £3k) was borne by another group company on Wallaces Express Ltd's behalf.

Directors have received remuneration from another group company.

**2 Operating costs**

	Period Ended 28 February 2015 £	Year Ended 31 March 2014 £
Staff costs (note 6)	108,133	106,906
Administrative expenses	721	3,250
	<u>          </u>	<u>          </u>
	<u>108,854</u>	<u>110,156</u>

**3 Other operating income**

	Period Ended 28 February 2015 £	Year Ended 31 March 2014 £
Management Charges	175,000	175,000
	<u>          </u>	<u>          </u>

Other operating income pertains to fees charged to subsidiary for the provision of management services.

**4 Interest payable and similar charges**

	Period Ended 28 February 2015 £	Year Ended 31 March 2014 £
Interest on bank borrowings	18,832	60,666
	<u>          </u>	<u>          </u>

**5 Other interest receivable and similar income**

	Period Ended 28 February 2015 £	Year Ended 31 March 2014 £
Bank interest	7,896	4,303
	<u>          </u>	<u>          </u>

## Notes (continued)

### 6 Staff numbers and costs

	Period Ended 28 February 2015 £	Year Ended 31 March 2014 £
The average number of persons employed by the company (including executive directors) during the year, analysed by category, was as follows:		
Administration & Support	2	2

The aggregate remuneration costs of these employees were:

	Period Ended 28 February 2015 £	Year Ended 31 March 2014 £
Wages and salaries	93,415	93,660
Social welfare costs	12,613	13,246
Other pension costs	2,105	-
	<u>108,133</u>	<u>106,906</u>

### 7 Taxation

#### Analysis of charge in the year

	Period Ended 28 February 2015 £	Year Ended 31 March 2014 £
<i>Current tax</i>		
Corporation tax	11,707	1,951
<i>Reconciliation of actual tax charge to tax at standard rate</i>		
The tax assessed for the period is lower than that calculated at the standard rate of corporation tax in the United Kingdom as explained below.		
Profit on ordinary activities before tax	55,300	8,481
Profit on ordinary activities multiplied by the standard rate of corporation tax of 21.17% (2014: 23.09%)	11,707	1,951
<i>Actual tax charge is affected by the following:</i>		
Expenses not deductible for tax purposes	-	-
Capital allowances in excess of depreciation	-	-
Other	-	-
Prior year adjustment	-	-
Current tax charge for period as above	<u>11,707</u>	<u>1,951</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. The deferred tax asset at the balance sheet date has been calculated based on these rates

## Notes (continued)

### 8 Investments

	28 February 2015 £	31 March 2014 £
<i>Cost</i>		
At beginning and end of year	25,920,762	25,920,762

#### Details of undertakings

<i>Undertaking</i>	Holding	Principal activity	Proportion of voting rights and shares held
Tennent Caledonian Breweries Wholesale	Ordinary	Licensed trade wholesaler	100%
Macrocom (1018) Limited	Ordinary	Investment company	100%

The registered office of Tennent Caledonian Breweries Wholesale Limited and Macrocom (1018) is at Crompton Way, North Newmoor Industrial Estate, Irvine, Ayrshire, KA11 4HU

### 9 Debtors

	28 February 2015 £	31 March 2014 £
Amounts due from group companies	175,000	-
Other debtors	52	26
	<u>175,052</u>	<u>26</u>

Amounts due from group companies are unsecured, interest free and repayable on demand.

### 10 Creditors

	28 February 2015 £	31 March 2014 £
Bank loans and overdrafts	19,302	39,665
Amounts owed to group undertakings	24,747,871	24,597,871
Corporation tax payable	11,822	1,950
Accruals and deferred income	-	8,076
	<u>24,778,995</u>	<u>24,647,562</u>

The bank loans and overdrafts are secured by a Bond and Floating charge over the property and undertakings of the company. An unlimited intercompany guarantee has been provided to the company bankers by the subsidiary undertaking, Tennent Caledonian Breweries Wholesale Ltd.

### 11 Share capital

	28 February 2015 £	31 March 2014 £
<i>Allotted, called up &amp; fully paid</i>		
625,000 Ordinary A shares of £1 each	625,000	625,000
625,000 Ordinary B shares of £1 each	625,000	625,000
	<u>1,250,000</u>	<u>1,250,000</u>

## Notes (continued)

### 12 Summary of movements on reserves

	Share Capital	Profit & loss account	Total
	£	£	£
As at 1 April 2013	1,250,000	16,695	1,266,695
Profit for the financial year	-	6,531	6,531
	<hr/>	<hr/>	<hr/>
As at 31 March 2014	1,250,000	23,226	1,273,226
As at 31 March 2014	1,250,000	23,226	1,273,226
Profit for the financial period	-	43,593	43,593
	<hr/>	<hr/>	<hr/>
As at 28 February 2015	1,250,000	66,819	1,316,819
	<hr/>	<hr/>	<hr/>

The company paid no dividend during the current or previous financial year.

### 13 Ultimate parent undertaking and controlling party

The company's intermediate parent undertaking is C&C Holdings Limited. The company's ultimate parent undertaking and controlling party is C&C Group plc., a company registered in the Republic of Ireland. The smallest and largest group in which the results of the company are consolidated is that headed by C&C Group plc. and the consolidated financial statements are filed in the Companies Registration Office at 14 Parnell Square, Dublin 1, Republic of Ireland.

### 14 Related party transactions

The company is availing of the exemption under Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose details of transactions with companies within the C&C Group plc group.

### 15 Approval of financial statements

The financial statements were approved by the directors on 25 November 2015.