Company Registration No. 02053090 (England and Wales)

LICENSED WHOLESALE COMPANY LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

LICENSED WHOLESALE COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr R M Gray Mr E K Mukadam
Secretary	M P Cowen
Company number	02053090
Registered office	Greenside Way Middleton Manchester M24 1SW
Auditor	Royce Peeling Green Limited The Copper Room Deva City Office Park Trinity Way Manchester M3 7BG

LICENSED WHOLESALE COMPANY LIMITED

CONTENTS

LICENSED WHOLESALE COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report for the year ended 30 September 2022.

Fair review of the business

The backdrop to the financial year ended 30th September 2022 was the emergence of the market and the company from the impact of the Coronavirus pandemic, and the restrictions it placed on the operation of our business. The company's financial results had been materially impacted in the previous two financial years. The year was spent dealing with the recovery and managing the substantial growth within the business and preparation for the challenge of the near and mid-term future.

Our strategy

Since the ending of national lockdowns, the business has recovered strongly, and we have been delighted with the performance of the business, allowing return to a robust trading position this year. We have reviewed and updated our strategy in four key areas of the business – our people, our operations, our finances and our environmental responsibilities.

Our people

We have dealt with the challenges brought about by the recovery of the economy in a post Covid and post Brexit environment. As has been widely reported, the impact of changes in the labour force led to increased competition and challenges in recruiting and retaining staff in critical areas of the business. We have adapted policies to ensure that recruitment and retention of key skilled employees was a priority and we have successfully increased the average number of employees in the business from 884 to 1171.

Operational response

During lockdown, we tailored our business to match disruption by matching depot operations and personnel where appropriate to market conditions. We were conscious that we needed to be in a position to support our on-trade customer base and resume our strong trading performance from previous years. We have successfully moved to the company's new head office at Chadderton, Manchester, offering the business a three-fold increase in bulk and bonded storage facilities. This increased flexibility has been supplemented by opening two new sites in Washington, Tyne & Wear and Stockton-on-Tees to replace smaller units. These have added over 300,000 sq ft to the warehouse space available to the business.

We have also purchased a 58,000 sq ft site in Doncaster that we expect to go live in Q2 and are in negotiation to further increase our depot portfolio during the remainder of 2022/23. These sites will continue to be a benefit as the business grows in the future. Our other challenges revolve around continuous engagement with our customer base, and our supplier network. The challenges of driver and labour shortages were managed successfully through the period to ensure the upturn in activity was appropriately resourced.

Financial response

As the business recovered in 2021/22, we were able to take actions to reduce the precautionary indebtedness taken during the pandemic. Consequently, the £20m CLBLS loan was repaid in May 2022, and a £4.5m loan from a related company, Dorbiere Ltd, was repaid in September 2022. These actions will save the company £1.1m in interest payments in the next financial year.

We are satisfied that the company is in a strong financial position and is able to meet its liabilities as they fall due.

Environmental response

We are committed to improving our environmental impact and have invested in a number of projects during the year. Our Streamlined Energy & Carbon Report (SECR) is detailed in the Directors' report which follows.

We are continually investing in our commercial vehicles, ensuring that the older, more polluting vehicles are replaced by modern efficient delivery vehicles as soon as it is prudent to do so. All new vehicles being purchased for our car fleet will be hybrid or fully electric and charging points are being installed at all company locations. We aim to replace all petrol/diesel vehicles in the next five years.

We are committed to introducing solar panels and heat pumps to as many of our sites as practical.

Future opportunities and challenges

Our business remains robust to meet any new challenges, whether from specific industry issues or other market led changes. The business will continue to focus heavily on managing its margins and cost base, particularly in light of increased risks and inflationary pressures across the industry.

We are grateful to our staff, customers, and suppliers during the year for their continuing support and look forward to enjoying a successful year together.

Principal risks and uncertainties

The execution of business strategy combined with the day-to-day management of the business are subject to a number of business and financial risks.

Business risk

The business operates within a fast paced market with the key risks relating to competition, liquidity of our customer and supplier base, product availability, employee recruitment and retention and exchange rate fluctuations. We continue to be mindful of the impact of inflation on the cost and availability of goods we source, and continue to use strategies to minimise the risks to the company.

The impact of spending power within the wider economy has been well documented and remains a key risk to the entire hospitality industry.

Financial risk management

The business, continues to generate healthy cash balances due to its continued focus on cash conversion, therefore mitigating the threat of liquidity and interest risk.

The business continues with its current policies of ensuring that all appropriate credit checks are performed on all potential new customers, and existing customers are monitored in line with company policies.

Credit risk

The company's principal financial assets are cash and trade debtors. Trade debtors are managed in respect of credit and cash flow risk by policies that require appropriate credit checks on customers to ensure credit limits and trading terms are appropriate.

Liquidity risk

Management reviews cash forecasts on a daily, weekly and monthly basis to ensure that the company is able to meet all of its financial obligations. Stress testing of assumptions made in these forecasts are robustly performed.

Key performance indicators

Our Key performance indicators continue to be monitored in weekly analysis and monthly management accounts and include revenue and margin per depot, sales and product mix analysis, service levels, cost control and the balance sheet.

LICENSED WHOLESALE COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Section 172 (1) statement

The directors of the company confirm that they have acted in a way that they consider to be in good faith, and to promote the success of the company for the benefit of all stakeholders. In doing so, they have regard (amongst other matters) to the issues below:-

a. The interests of the company's employees
b. The business relationships with our customers, suppliers and others
c. The impact of the company's operations on the environment and the communities in which we operate
d. The reputation of the company with regard to its standards of business conduct
e. The need to act fairly between all stakeholders of the company

The directors understand the need to act fairly between employees and the company. Regular meetings and annual reviews ensure that our employees have the ability to raise suggestions and issues. The company has invested in the health and safety of all of its stakeholders – employees, customers, suppliers and others – to provide safe and welcoming environment to engage with the company.

Maintaining strong and effective relationships with our supplier base is critical to the success of the business. The directors and colleagues keep in constant contact with our suppliers to provide information when required, and acting on any feedback or concerns.

On behalf of the board

Mr E K Mukadam 5 April 2023
Director

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities
The principal activity of the company and group continued to be that of retailing and wholesaling wines, spirits and beers, and the production of own brand products.

Results and dividends
The results for the year are set out on page 11. The directors do not recommend the payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were:

Mr R M Gray
Mr E K Mukadam

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Post reporting date events
On 1 October 2022 the holders of the entire issued share capital of Robinrate Limited, a company subject to common control, exchanged their shares in Robinrate Limited for shares in Licensed Wholesale Company Limited, making Robinrate Limited its wholly owned subsidiary. Robinrate Limited owns 100% of the issued share capital of Dorbiere Limited which is engaged in the operation of licensed restaurants, bars and hotels.

Auditor
In accordance with the company's articles, a resolution proposing that Royce Peeling Green Limited be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon report
In accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, LWC Drinks Limited has prepared a Streamlined Energy & Carbon Report (SECR) for the previous financial year. This measurement and reporting of environmental performance will drive direct benefits for the business such as lower energy and resource costs, improved understanding of exposure to the risks of climate change and by allowing the business to demonstrate sustainable leadership within the beverage industry.

LWC Drinks Limited's total energy consumption for this financial year was 16,151 MWh, resulting in gross carbon emissions of 3,760 tCO2e. These figures correspond to a 15.3% increase in total energy consumption and a 15.2% increase in gross emissions when compared to the previous year. Normalised gross emissions decreased from 13.11 tCO2e/£m to 6.80 tCO2e/£m whilst simultaneously decreasing from 3.86 tCO2e/employee to 3.35 tCO2e/employee. The business turnover and number of employees have increased to £530 million and 1,121 respectively in the 2021/22 financial year. Going forward future SECRs will normalise carbon emissions by turnover.

The COVID-19 pandemic had a significant impact on operations in 2020/2021 financial year, which explains the reduction in total energy consumption seen on Figure 1. As the business has recovered from the pandemic, the energy consumption has increased for this financial year. Despite this increase, Figure 1 shows a general trend of decrease in energy consumption since 2018. Figure 2 shows that the bulk of the emissions (around 87%) arise from fuel consumed in transport operations.

LICENSED WHOLESALE COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Quantification and reporting methodology

This report has been prepared following the GHG Reporting Protocol – Corporate Standard and using the guidance set out in Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance – HM Government (March 2019). Energy consumption data has been sourced from utility supplier invoices, or where this is not available calculated from site-based records and travel expense data.

Conversion from energy to emissions was completed by application of the relevant location-based emissions factor from UK Government GHG Conversion Factors for Company Reporting for the appropriate year.

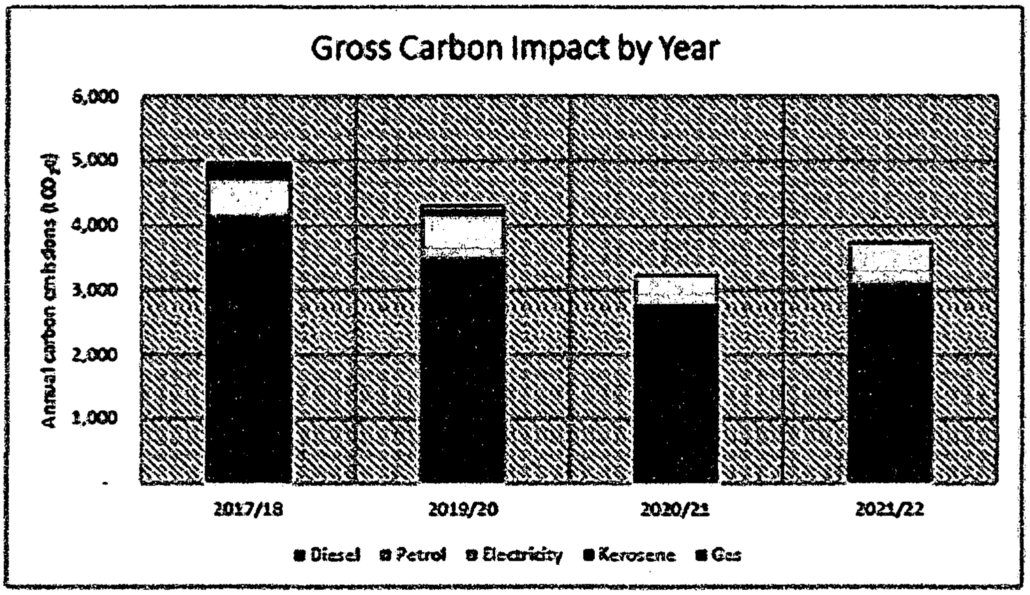

Figure 1: Comparison of LWC Drinks' gross carbon impact (tCO_2e) since 2017/18

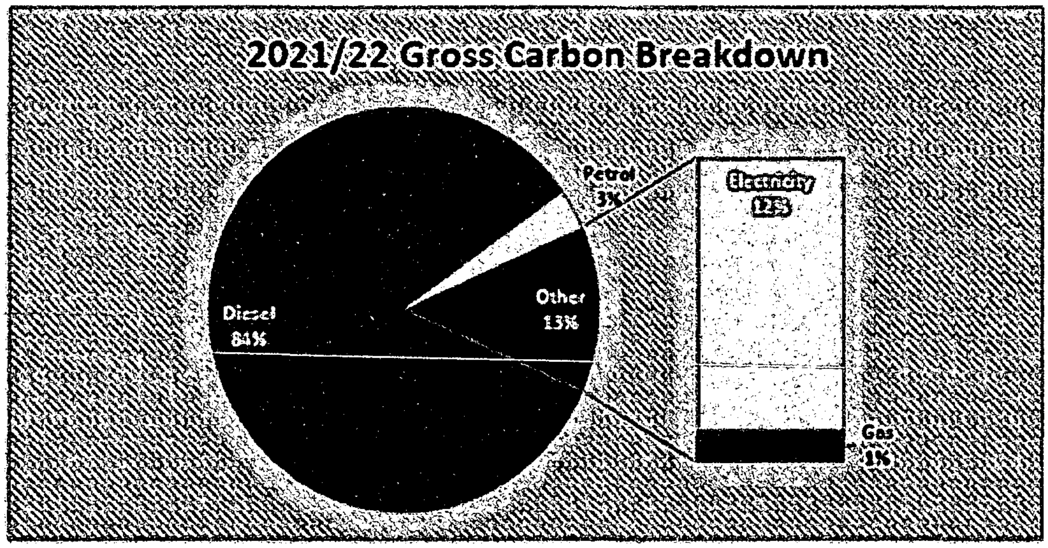

Figure 2: LWC Drinks' gross carbon breakdown by resource type

In an effort to reduce the business' carbon impact, LWC Drinks has successfully implemented various energy improvement projects and activities throughout the year. Company cars are gradually being replaced with all electric and hybrid vehicles and EV charging points are being fitted to depots. The commercial vehicle fleet is also being replaced with more efficient alternatives as part of the current replacement plan. All new and refurbished depots have been fitted with high-efficiency LED lighting throughout. We have also continued to replace heavy LPG fuelled forklift trucks with lighter more efficient electric ride-on dock loaders and order pickers. The remaining units will be phased out at renewal and replaced by electric alternatives. The same process will be occurring at all sites as LWC Drinks develops them.

These measures are reflected in the reduction in normalised gross carbon emissions since the previous financial year.

Parameter	Units	Current reporting year 01/10/21 - 30/9/22	Comparison reporting year 01/10/20 - 30/9/21
Combustion fuels consumed	kWh	291,632	329,324
Grid electricity consumed	kWh	2,304,680	1,360,151
Transport fuels consumed	kWh	13,554,390	12,313,267
Total energy consumption used to calculate emissions	kWh	16,150,702	14,002,743
Emissions from combustion of gaseous fuel (scope 1)	tCO_2e	53	60
Emissions from combustion of liquid fuels in stationary units (scope 1)	tCO_2e	0	0
Emissions from transportation in vehicles owned or controlled by organisation (scope 1)	tCO_2e	3,261	2,914
Emissions from purchased electricity (scope 2)	tCO_2e	445	289
Total gross carbon emissions	tCO_2e	3,760	3,263
Intensity ratio: Total gross emissions / no. of employees	tCO_2e / no. of employees	3.35	3.86
Intensity ratio: Total gross emissions / Turnover	tCO_2e / £m	6.80	13.11

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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 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 then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr E K Mukadam — 5 April 2023
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LICENSED WHOLESALE COMPANY LIMITED

Opinion

We have audited the financial statements of Licensed Wholesale Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the group statement of comprehensive income, the group balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LICENSED WHOLESALE COMPANY LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how management seek to comply with them. This helps us to make appropriate risk assessments.
- During the audit we focus on relevant risk areas and review compliance with laws and regulations through making relevant enquiries and corroboration by, for example, reviewing Board Minutes and other documentation.
- We assess the risk of material misstatement in the financial statements including as a result of fraud and undertake procedures including:
  - I. Review of controls set in place by management
  - I. Enquiry of management as to whether they consider fraud or other irregularities may have occurred or where such opportunity might exist
  - II. Challenge of management assumptions with regard to accounting estimates
  - III. Identification and testing of journal entries, particularly those which may appear to be unusual by size or nature.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements, or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we are less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Royce Peeling Green Limited

Martin Chatten (Statutory Auditor)
For and on behalf of Royce Peeling Green Limited

14 April 2023

Chartered Accountants
Statutory Auditor

The Copper Room
Deva City Office Park
Trinity Way
Manchester M3 7BG

LICENSED WHOLESALE COMPANY LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	529,871,260	248,982,420
Cost of sales		(426,686,434)	(202,416,015)
Gross profit		103,184,826	46,566,405
Administrative expenses		(73,800,449)	(43,451,241)
Other operating income	3	-	5,451,111
Exceptional items	4	-	2,748,295
Operating profit	5	29,384,377	11,314,570
Interest receivable and similar income		293,947	128,921
Interest payable and similar expenses	10	(417,649)	(355,220)
Change in fair value of investments	11	(918,655)	1,258,570
Profit before taxation		28,342,020	12,346,841
Tax on profit	12	(6,021,682)	(2,583,084)
Profit for the financial year	26	22,320,338	9,763,757

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

LICENSED WHOLESALE COMPANY LIMITED

GROUP AND COMPANY BALANCE SHEETS

AS AT 30 SEPTEMBER 2022

	Notes	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Fixed assets					
Goodwill	14	5,288,557	6,334,369	-	-
Tangible assets	13	58,388,548	38,785,167	-	-
Investments	16	14,420	1,889,517	1	1,875,098
		63,691,525	47,009,053	1	1,875,098
Current assets					
Stocks	17	37,379,647	32,900,946	-	-
Debtors	18	48,791,675	45,294,648	9,617,507	7,635,980
Investments	19	-	20,626,682	-	-
Cash at bank and in hand		16,373,428	19,130,923	-	-
		102,544,750	117,953,199	9,617,507	7,635,980
Creditors: amounts falling due within one year	20	(71,366,015)	(73,418,701)	(20,222)	-
Net current assets		31,178,735	44,534,498	9,597,285	7,635,980
Total assets less current liabilities		94,870,260	91,543,551	9,597,286	9,511,078
Creditors: amounts falling due after more than one year	21	(144,189)	(20,696,878)	-	-
Provisions for liabilities					
Deferred tax liability	24	(2,826,847)	(1,267,787)	-	-
Net assets		91,899,224	69,578,886	9,597,286	9,511,078
Capital and reserves					
Called up share capital	25	45,334	45,334	45,334	45,334
Capital redemption reserve	26	21,335	21,335	21,335	21,335
Profit and loss reserves	26	91,832,555	69,512,217	9,530,617	9,444,409
Total equity		91,899,224	69,578,886	9,597,286	9,511,078

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £86,208 (2021 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 5 April 2023 and are signed on its behalf by:

Mr E K Mukadam
Director

Company Registration No. 02053090

LICENSED WHOLESALE COMPANY LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 October 2020	45,334	21,335	59,748,460	59,815,129
Year ended 30 September 2021:				
Profit and total comprehensive income for the year	-	-	9,763,757	9,763,757
Balance at 30 September 2021	45,334	21,335	69,512,217	69,578,886
Year ended 30 September 2022:				
Profit and total comprehensive income for the year	-	-	22,320,338	22,320,338
Balance at 30 September 2022	45,334	21,335	91,832,555	91,899,224

LICENSED WHOLESALE COMPANY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 October 2020	45,334	21,335	9,444,409	9,511,078
Year ended 30 September 2021:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 30 September 2021	45,334	21,335	9,444,409	9,511,078
Year ended 30 September 2022:				
Profit and total comprehensive income for the year	-	-	86,208	86,208
Balance at 30 September 2022	45,334	21,335	9,530,617	9,597,286

LICENSED WHOLESALE COMPANY LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	32		29,074,381		5,097,113
Interest paid			(417,649)		(355,220)
Income taxes paid			(4,177,246)		(312,603)
Net cash inflow from operating activities			24,479,486		4,429,290
Investing activities					
Purchase of tangible fixed assets		(24,129,096)		(4,089,807)	
Proceeds on disposal of tangible fixed assets		222,391		3,735,189	
Current asset investments sold/ (purchased)		21,583,124		(3,540,025)	
Interest received		187,517		128,921	
Other income received from investments		106,430		-	
Net cash used in investing activities			(2,029,634)		(3,765,722)
Financing activities					
(Loans repaid)/ new loans		(24,505,000)		5,000	
Payment of finance leases obligations		(702,347)		(68,516)	
Net cash used in financing activities			(25,207,347)		(63,516)
Net (decrease)/increase in cash and cash equivalents			(2,757,495)		600,052
Cash and cash equivalents at beginning of year			19,130,923		18,530,871
Cash and cash equivalents at end of year			16,373,428		19,130,923

1 Accounting policies

Company information

Licensed Wholesale Company Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Greenside Way, Middleton, Manchester, M24 1SW.

The principal activities of the group continue to be the retailing and wholesaling of wines, spirits and beers, and the production of own brand products.

The group consists of Licensed Wholesale Company Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Licensed Wholesale Company Limited together with all entities controlled by the parent company.

All financial statements are made up to 30 September 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1 Accounting policies **(Continued)**

1.4 Going concern

At the time of approving the financial statements the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	0.3% to 10% straight line
Leasehold land and buildings	0.3% to 10% straight line
Plant and equipment	20% to 25% straight line
Fixtures and fittings	14% to 33% straight line
Motor vehicles	25% straight line

Assets held under finance leases are depreciated over the shorter of the lease term and their useful life.

Tangible assets are assessed for impairment when an indication of impairment exists at the reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1 Accounting policies **(Continued)**

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, and loans from related parties, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the prior accounting period the group received government assistance in the form of furlough payments for staff following the Covid-19 coronavirus pandemic. This amount has been classified as other operating income within the statement of comprehensive income. The group also benefitted from a VAT deferral and a coronavirus large business interruption loan.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.20 Liability limitation agreement

The company has entered into a liability limitation agreement with Royce Peeling Green Limited, the statutory auditor for the year ended 30 September 2022. The proportionate liability agreement follows the standard terms in Appendix B to the FRC's June 2008 Guidance on Auditor Liability Agreements, and has been approved by the shareholders.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation and amortisation

The depreciation and amortisation expense is the recognition of the decline in the value of the asset and allocation of the cost of the asset over the periods in which the asset will be used. Judgments are made as to the estimated useful life and residual value of the assets; these are regularly reviewed to reflect the changing environment.

Stock provision

The provision is based on a review of old/ slow moving stock lines and the estimated realisation of that stock. The estimated realisation is based on past experience and subsequent recovery after the year end. These judgements are regularly reviewed to reflect the changing environment.

Bad debt and customer loan provision

The bad debt and customer loan provision is based on a review of old / slow paying customer balances/ loans and the estimated recoverability of those balances. Estimated recoverability is based on past experience and subsequent recovery after the year end. These judgements are regularly reviewed to reflect the changing environment.

Purchase rebates/over-riders

Provision for purchase rebates and over-riders are based on estimated amounts due based on quantities purchased during the year. The estimated recoverability is based on past experience and amounts subsequently recovered after the year end. These judgements are regularly reviewed to reflect the changing environment.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
From principal activities, entirely in the UK	529,871,260	248,982,420

	2022	2021
	£	£
Other significant revenue		
JRS grant income	-	5,451,111

4 Exceptional item

	2022 £	2021 £
Exceptional gain on disposal of property	-	2,748,295

5 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	4,522,834	4,045,335
Depreciation of tangible fixed assets held under finance leases	1,174	4,981
Profit on disposal of tangible fixed assets	(220,684)	(50,403)
Amortisation of intangible assets	1,045,812	1,045,812
Operating lease charges	769,443	53,281

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	7,500	7,500
Audit of the financial statements of the company's subsidiaries	32,500	30,000
	40,000	37,500
For other services		
All other non-audit services	20,000	15,750

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors	2	2	2	2
Head office	100	100	-	-
Depots	1,097	782	-	-
Total	1,199	884	2	2

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	39,509,761	25,420,924	-	-
Social security costs	3,979,658	2,530,599	-	-
Pension costs	730,680	446,551	-	-
	44,220,099	28,398,074	-	-

8 Retirement benefit schemes

	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	730,680	446,551

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

9 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services- total and highest paid	492,669	302,031

10 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Loan interest	313,929	251,508
Other finance costs:		
Interest on finance leases and hire purchase contracts	103,720	103,712
Total finance costs	417,649	355,220

11 Fair value gains/(losses)

	2022 £	2021 £
Change in value of financial assets held at fair value through profit or loss	-	1,258,570
Other gains/(losses)		
Loss on disposal of investments held at fair value	(918,655)	-
	(918,655)	1,258,570

12 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	4,462,622	1,677,573
Deferred tax		
Origination and reversal of timing differences	1,184,886	603,194
Changes in tax rates	374,174	304,269
Adjustment in respect of prior periods	-	(1,952)
Total deferred tax	1,559,060	905,511
Total tax charge	6,021,682	2,583,084

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	28,342,020	12,346,841
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	5,384,984	2,345,900
Tax effect of expenses that are not deductible in determining taxable profit	10,698	18,557
Tax effect of income not taxable in determining taxable profit	-	(546,479)
Effect of change in corporation tax rate	374,174	304,987
Depreciation on assets not qualifying for tax allowances	431,025	409,139
Amortisation on assets not qualifying for tax allowances	181,129	181,129
Other permanent differences	-	(128,197)
Deferred tax adjustments in respect of prior years	-	(1,952)
Other	(360,328)	-
Taxation charge	6,021,682	2,583,084

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 October 2021	28,408,602	5,154,440	4,044,650	9,408,853	12,579,387	59,595,932
Additions	14,044,467	2,409,003	1,387,751	2,588,215	3,699,660	24,129,096
Disposals	-	-	-	-	(1,151,628)	(1,151,628)
At 30 September 2022	42,453,069	7,563,443	5,432,401	11,997,068	15,127,419	82,573,400
Depreciation and impairment						
At 1 October 2021	1,177,218	1,262,645	2,610,813	6,749,102	9,010,987	20,810,765
Depreciation charged in the year	436,378	251,294	678,345	1,318,657	1,839,334	4,524,008
Eliminated in respect of disposals	-	-	-	-	(1,149,921)	(1,149,921)
At 30 September 2022	1,613,596	1,513,939	3,289,158	8,067,759	9,700,400	24,184,852
Carrying amount						
At 30 September 2022	40,839,473	6,049,504	2,143,243	3,929,309	5,427,019	58,388,548
At 30 September 2021	27,231,384	3,891,795	1,433,837	2,659,751	3,568,400	38,785,167

The company had no tangible fixed assets at 30 September 2022 or 30 September 2021.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Plant and equipment	385,301	1,834,119	-	-

14 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 October 2021 and 30 September 2022	11,647,327
Amortisation and impairment	
At 1 October 2021	5,312,958
Amortisation charged for the year	1,045,812
At 30 September 2022	6,358,770
Carrying amount	
At 30 September 2022	5,288,557
At 30 September 2021	6,334,369

The company had no intangible fixed assets at 30 September 2022 or 30 September 2021.

15 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct	Indirect
LWC Drinks Limited	Greenside Way, Middleton, Manchester M24 1SW	Ordinary	100.00	-
H. T. White & Company Limited	Greenside Way, Middleton, Manchester M24 1SW	Ordinary	-	100.00

16 Fixed asset investments

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	1	1
Unlisted investments		14,420	14,420	-	-
Other investments		-	1,875,097	-	1,875,097
		14,420	1,889,517	1	1,875,098

Other investments

The company holds more than 20% of the members' capital in Mukadam Gray Partnership LLP but lacks significant influence over the operating and financial policies, therefore is accounted for as an investment.

During the year Mukadam Gray Partnership LLP was wound up and all capital returned to its members along with their share of accumulated profits

The directors believe that the carrying value of investments is supported by their underlying net assets.

17 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	37,379,647	32,900,946	-	-

18 Debtors

Amounts falling due within one year:	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade debtors	36,707,843	36,113,551	-	-
Amounts owed by group undertakings	-	3,375	9,617,507	7,635,980
Other debtors	9,911,905	7,841,567	-	-
Prepayments and accrued income	2,171,927	1,336,155	-	-
	48,791,675	45,294,648	9,617,507	7,635,980

19 Current asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Listed investments	-	20,626,682	-	-

Investments are financial instruments measured at fair value through profit or loss. All investments held are listed and are dealt with on a recognised stock exchange.

20 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	23	19,962	169,620	-	-
Other borrowings	22	-	4,505,000	-	-
Trade creditors		47,450,496	51,874,553	-	-
Corporation tax payable		1,962,622	1,677,246	20,222	-
Other taxation and social security		8,286,651	8,086,084	-	-
Other creditors		6,361,667	2,178,967	-	-
Accruals and deferred income		7,284,617	4,927,231	-	-
		71,366,015	73,418,701	20,222	-

The group has an invoice discounting facility which is secured by way of a fixed and floating charge over the subsidiary company's property and assets. The facility was in credit at the year end and the balance of £2,114,007 is included within cash at bank and in hand at 30 September 2022 (2021: £1,422,740).

21 Creditors: amounts falling due after more than one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	22	-	20,000,000	-	-
Obligations under finance leases	23	144,189	696,878	-	-
		144,189	20,696,878	-	-

The long-term loans are secured by a legal charge over group properties dated 12 August 2020 and cross guarantee by all group companies.

22 Loans and overdrafts

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	-	20,000,000	-	-
Loans from related parties (note 29)	-	4,505,000	-	-
	-	24,505,000	-	-
Payable within one year	-	4,505,000	-	-
Payable after one year	-	20,000,000	-	-

The long-term bank loan was secured by a legal charge over the properties of LWC Drinks Limited dated 12 August 2020 and cross guarantee by the parent company and H.T. White & Company Limited. This loan was repaid in full in May 2022.

23 Finance lease obligations

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	36,000	169,620	-	-
In two to five years	144,000	678,480	-	-
In over five years	36,000	339,240	-	-
	216,000	1,187,340	-	-
Less: future finance charges	(51,849)	(320,842)	-	-
	164,151	866,498	-	-

Finance lease payments represent rentals payable by the group for certain properties. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average residual lease term is 6 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	2,828,627	1,270,779
Retirement benefit obligations	(1,780)	(2,992)
	2,826,847	1,267,787

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 October 2021	1,267,787	-
Charge to profit or loss	1,184,886	-
Effect of change in tax rate - profit or loss	374,174	-
Liability at 30 September 2022	2,826,847	-

25 Share capital

Group and company Ordinary share capital Issued and fully paid	2022 Number	2021 Number	2022 £	2021 £
Ordinary Class A of £1 each	40,001	40,001	40,001	40,001
Ordinary Class C of £1 each	5,333	5,333	5,333	5,333
	45,334	45,334	45,334	45,334

5,000 £1 B ordinary shares were re-designated as A ordinary shares in July 2020.

All classes of share have identical rights.

26 Reserves

The group and company reserves comprise the following:

Capital redemption reserve represents a non-distributable reserve created following the redemption of ordinary share capital.

The profit and loss reserve represents cumulative profits or losses net of dividends paid.

27 Financial commitments, guarantees and contingent liabilities

The group's bank borrowing facilities are secured by cross-guarantee by Dorbiere Limited and Robinrate Limited, related parties, and by a first legal charge over a number of the properties owned by Dorbiere Limited. The group has similarly cross-guaranteed the bank borrowings of those entities. The amount outstanding under these facilities at 30 September 2022 was £Nil (2021: £70,160).

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	422,473	422,472	-	-
Between two and five years	1,037,529	1,312,913	-	-
In over five years	1,338,333	1,411,667	-	-
	2,798,335	3,147,052	-	-

29 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 and has not disclosed transactions and balances with wholly owned group undertakings.

Creditors includes balances with the following related parties:

During the year, LWC Drinks Limited repaid a loan of £4,500,000 to Dorbiere Limited and sold goods and services to it amounting to £4,069,895 (2021: £2,119,690). At 30 September 2022, LWC Drinks Limited owed £996,926 (2021: £4,937,631) to Dorbiere Limited and was owed £398,069 (2021: £374,237) by Dorbiere Limited. During the year interest charges of £97,832 (2021: £40,050) were incurred in respect of this loan. The loan was unsecured and repayable on demand. These companies are related through common control.

At 30 September 2022, the company owed £Nil (2021: £13,183) to Mukadam Gray Partnership LLP. Amounts owed by LWC Drinks Limited to Mukadam Gray Partnership LLP are included in amounts due to related parties due within one year. Mukadam Gray Partnership LLP is related through common control.

At 30 September 2022, the company owed £1,841,867 (2021: £185,384) to the Directors.

During the year the company prepaid six years property rental charges amounting to £989,400 to the Dorbiere Directors Pension Benefit Scheme. The Directors are beneficiaries of the Scheme.

30 Events after the reporting date

On 1 October 2022 the holders of the entire issued share capital of Robinrate Limited who are also the shareholders of Licensed Wholesale Company Limited, exchanged their shares in Robinrate Limited for shares in Licensed Wholesale Company Limited, making Robinrate Limited its wholly owned subsidiary. Robinrate Limited owns 100% of the issued share capital of Dorbiere Limited which is engaged in the operation of licensed restaurants, bars and hotels.

The directors concluded that the reorganisation will improve the efficiency and profitability of the businesses by bringing them together in one organisation through streamlining of central functions and operational efficiencies.

31 Controlling party

The ultimate controlling parties continue to be R M Gray and E K Mukadam by virtue of their shareholdings in Licensed Wholesale Company Limited.

32 Cash generated from group operations

	2022	2021
	£	£
Profit for the year after tax	22,320,338	9,763,757
Adjustments for:		
Taxation charged	6,021,682	2,583,084
Finance costs	417,649	355,220
Investment income	(293,947)	(128,921)
Gain on disposal of tangible fixed assets	(220,684)	(50,403)
Amortisation and impairment of intangible assets	1,045,812	1,045,812
Depreciation and impairment of tangible fixed assets	4,524,008	4,050,316
(Increase)/ decrease in value of current asset investments	918,655	(1,258,570)
Movements in working capital:		
Increase in stocks	(4,478,701)	(13,151,753)
Increase in debtors	(3,497,027)	(20,338,971)
Increase in creditors	2,416,585	22,227,542
Cash generated from operations	29,174,370	5,097,113

33 Analysis of changes in net funds/(debt) - group

	1 October 2021	Cash flows	30 September 2022
	£	£	£
Cash at bank and in hand	19,130,923	(2,757,495)	16,373,428
Borrowings excluding overdrafts	(24,505,000)	24,505,000	-
Obligations under finance leases	(866,498)	702,347	(164,151)
	(6,240,575)	22,449,852	16,209,277