Company Registration No. 02053090 (England and Wales)

LICENSED WHOLESALE COMPANY LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

LICENSED WHOLESALE COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr R M Gray Mr E K Mukadam
Secretary	Mr 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

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LICENSED WHOLESALE COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Fair review of the business
For the second consecutive year the group has faced the challenges of the impact of the Covid-19 coronavirus pandemic. As has been well documented, the impact of lockdowns and trade restrictions on our customer base and suppliers has led to another disrupted year.

Timeline of disruption

March 16th 2020 - The Government advised the public to avoid pubs and restaurants, leaving most unable to trade, and the business suffered an immediate fall in trade of over 90% of the previous week's sales
March 23rd 2020 – Introduction of a mandatory closure of all pubs and restaurants. Business restricted to off trade and internet B2C presence Click'n'Drink.
July 4th 2020 – Pubs and restaurants allowed to reopen in England. Our business benefitted from the Eat Out to Help Out scheme during August 2020.
September/October 2020 – rolling reductions in trade due to tiered local restrictions.
November 4th 2020 – Second National lockdown introduced
December 2020 – Traditionally important Christmas and New Year period disrupted by tiered closures leading to abandonment of Christmas and New Year relaxation of regulations
January 4th 2021 – third national lockdown were closed.
April 12th 2021 – Ending of lockdown – pubs and restaurants allowed to trade, initially outdoors only for five weeks, followed by further gradual relaxations until 19th July 2021 when all venues including nightclubs were allowed to reopen.

In total, the hospitality industry has suffered 421 days of disruption and closure since March 2020.

Our response
The directors continued to take swift and decisive action whenever the restrictions impacted on our business, immediately restricting normal operations whilst continuing to support our customers and suppliers where possible. We are grateful for the support of our staff, partners (customers) and suppliers during this challenging period where regulations and the market were changing on a regular basis.

Since the ending of national lockdowns in April 2021, the business has recovered strongly, and we have been delighted with the performance of the business, allowing return to a robust trading and margin position towards the end of the year.

Our quarterly turnover performance table below shows the impact of the closures on our business, and the recovery when our customers resumed trading.

Quarterly Turnover Performance			
Q1	Oct- Dec	26.3m	Regional tiered restrictions in place
Q2	Jan- Mar	2.7m	Lockdown from 4th January 2021
Q3	Apr- Jun	86.6m	Gradual relaxation of lockdown during April/ May
Q4	Jul- Sep	133.5m	Normal trade permitted

The group has reduced its use of Government support packages for affected businesses. We have used the Coronavirus Job Retention Scheme ("Furlough Scheme") increasingly sparingly as our business returned. Our facility using the Coronavirus Large Business Interruption Loan Scheme ("CLBILS") remains in place, and we have been repaying the March 2020 deferment of VAT payments in line with HMRC requirements. Full details of all of these initiatives are shown in the accounts below.

Operational response
Operationally, we have tailored our business to match disruption by matching depot operations and personnel where appropriate to market conditions and continually evolving restrictions. This involved decisions on the number of vehicles we took off the road and adapting our business to concentrate on supporting our brands in the off-trade market. We were constantly aware that as soon as restrictions lifted, we needed to be in a position to support our on-trade customer base and resume our strong trading performance from previous years. The challenges to the business in the second half of the financial year revolved around the re-engagement with our customer base, and the resolution of supply issues as our supplier base regrouped. The challenges of driver and labour shortages were managed successfully through the period to ensure the upturn in activity was resourced appropriately.

During the year, the company's new site at Chadderton, Manchester came on line, offering the business a three-fold increase in bulk and bonded storage facilities. The increased flexibility will continue to be a benefit as the business continues to grow in the future.

Financial response
Whilst turnover in the first half of the 2020/21 Financial Year was down 83%, we were able to minimise the overall cost to our business to facilitate a strong recovery in the second half. Our performance in the second half of the year demonstrates the success the business has achieved in this respect

As noted above, the new facility in Chadderton was opened, allowing the disposal of our site in Openshaw, Manchester. The proceeds and profit from that sale are shown in the accounts below. The company's Support Centre and Registered Office have moved to Chadderton.

Future opportunities and challenges
Our business remains robust to meet any new challenges, whether from Coronavirus, Brexit or other market led changes. We note that when customers have been able to trade normally, we are strongly placed to return to the levels of turnover and profitability as before. The business will continue to focus heavily on managing its margins and cost base, particularly in light of increased risks across the industry.

We continue to develop our brands, products, staff and properties. In February 2022 we completed the purchase of a 120,000 sq ft warehouse in Washington, Tyne & Wear and a 52,000 sq ft site in Stockton-on-Tees.

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.

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 Brexit on the cost and availability of goods we source from the EU, and continue to use strategies to minimise the risks to the company.

The impact of the Coronavirus remains a key risk to the entire hospitality industry.

Financial risk management
The business has taken advantage of the CLBILS scheme to obtain a £20m facility. This facility is due for repayment in the financial year ended 30 September 2023. The business, when trading freely, 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.

Principal risks and uncertainties

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 tested.

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
Director

4 March 2022

LICENSED WHOLESALE COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

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 10. 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.

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, the group has prepared a Streamlined Energy & Carbon Report (SECR) for the 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's total energy consumption for this financial year was 14,003 MWh, resulting in gross carbon emissions of 3,263 tCO2e. These figures correspond to a 22.8% decrease in total energy consumption and a 24.6% decrease in gross emissions when compared to the previous year.

Normalised gross emissions decreased from 5.1 tCO2e/employee to 3.9 tCO2e/employee. It has been assumed that the total number of employees working in 2020 has remained the same as the number currently working within the organisation.

The bulk of our emissions (around 89%) arise from fuel consumed in our transport operations). It can also be seen that we have driven down total emissions year-on-year since 2018 (data was unavailable for 2019). Whilst it is clear that the covid19 pandemic will have had significant impact on the energy demand of our operations, the focus of our workforce on environmental sustainability will also have contributed.

Energy consumption	kWh	kWh
Aggregate of energy consumption in the year		
- Combustion fuels (oil/ gas)	329,324	
- Electricity purchased	1,360,151	
- Fuel consumed for transport	12,313,267	
		14,002,742

Emissions of CO2 equivalent	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	60.00	
- Other combustion fuels	138.00	
- Fuel consumed for owned transport	2,914.00	
		3,112.00
Scope 2 - indirect emissions		
- Electricity purchased		289.00
Total gross emissions		3,401.00
Intensity ratio		
Tonnes CO2e per employee		3.86

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.

Measures taken to improve energy efficiency
In an effort to reduce the business' carbon impact, the group has successfully implemented various energy improvement projects and activities throughout the year.

- During the past year we have commenced operations at the Chadderton Way distribution Hub. At the new site we have implemented changes to both the fabric of the building and equipment used in our operation.

- We have removed all lighting internally and externally and replaced with new LED lighting which is PIR controlled to minimise energy used across the sites.

- Large hot water storage tanks have been replaced by instant hot water units in all wash rooms kitchens and showers.

- Heavy LPG fuelled fork lift trucks have been replaced by lighter more efficient electrically powered ride-on dock loaders and order pickers.

- Goods in, stock replenishment, and order picking are now controlled by a state of the art Warehouse Management System (WMS). This ensures the most efficient routes for all operations within the warehouse.

- The LWC commercial fleet has been updated to include where possible more fuel-efficient category 7 low fuel emission vehicles.

- The LWC car fleet is continually updated, throughout 2021 and to date we continue to road test hybrid and electric vehicles. Where practical these have been purchased and replaced older less fuel-efficient vehicles.

- We continue to evaluate more fuel efficient, light commercial vehicles and will implement their use further as more efficient solutions become available.

- All our delivery routes are computer-generated to ensure the most efficient use of fuel for each journey. All commercial vehicles are tracked. The system now provides information directly to the driver's handheld device, if routes are to be updated this can be done in real time and directly communicated to delivery crews.

These measures are reflected in the reductions in our energy consumption and gross carbon emissions for the year.

In 2022 we are transferring two of our Northern East depots to new sites. Both will be larger and more efficient than those they replace. Work has already commenced prior to their occupation to ensure that the buildings, handling equipment, and fleet take full advantage of the most up-to-date solutions to ensure that energy usage is kept to a minimum when operations commence.

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 — 4 March 2022
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 2021 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 FRS 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 2021 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 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.

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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

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 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
  II. Enquiry of management as to whether they consider fraud or other irregularities may have occurred or where such opportunity might exist
  III. Challenge of management assumptions with regard to accounting estimates
  IV. 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

7 March 2022

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 2021

	Notes	2021 £	2020 £
Turnover	3	248,982,420	243,681,636
Cost of sales		(202,416,015)	(199,516,259)
Gross profit		46,566,405	44,165,377
Administrative expenses		(43,451,241)	(49,121,911)
Other operating income	3	5,451,111	5,266,359
Exceptional items	4	2,748,295	-
Operating profit	5	11,314,570	309,825
Interest receivable and similar income		128,921	86,702
Interest payable and similar expenses	10	(355,220)	(227,423)
Change in fair value of investments	11	1,258,570	(239,409)
Profit/(loss) before taxation		12,346,841	(70,305)
Tax on profit/(loss)	12	(2,583,084)	(774,757)
Profit/(loss) for the financial year	26	9,763,757	(845,062)

Profit/(loss) 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 2021

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Fixed assets					
Goodwill	**13**	6,334,369	7,380,181	-	-
Tangible assets	**14**	38,785,167	42,430,462	-	-
Investments	**15**	1,889,517	1,889,517	1,875,098	1,875,098
		47,009,053	51,700,160	1,875,098	1,875,098
Current assets					
Stocks	**17**	32,900,946	19,849,182	-	-
Debtors	**18**	45,294,648	24,955,677	7,635,980	7,635,980
Investments	**19**	20,626,682	15,828,087	-	-
Cash at bank and in hand		19,130,923	18,530,871	-	-
		117,953,199	79,163,817	7,635,980	7,635,980
Creditors: amounts falling due within one year	**20**	(73,418,701)	(49,921,178)	-	-
Net current assets		44,534,498	29,242,639	7,635,980	7,635,980
Total assets less current liabilities		91,543,551	80,942,799	9,511,078	9,511,078
Creditors: amounts falling due after more than one year	**21**	(20,696,878)	(20,765,394)	-	-
Provisions for liabilities					
Deferred tax liability	**24**	(1,267,787)	(362,276)	-	-
Net assets		69,578,886	59,815,129	9,511,078	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**	69,512,217	59,748,460	9,444,409	9,444,409
Total equity		69,578,886	59,815,129	9,511,078	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 £0 (2020 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 4 March 2022 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 2021

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 October 2019	45,334	21,335	60,593,522	60,660,191
Year ended 30 September 2020:				
Loss and total comprehensive income for the year	-	-	(845,062)	(845,062)
Balance at 30 September 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

LICENSED WHOLESALE COMPANY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 October 2019	45,334	21,335	9,444,409	9,511,078
Year ended 30 September 2020:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 30 September 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

LICENSED WHOLESALE COMPANY LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	31		5,097,113		20,783,693
Interest paid			(355,220)		(227,423)
Income taxes paid			(312,603)		(2,023,806)
Net cash inflow from operating activities			4,429,290		18,532,464
Investing activities					
Purchase of tangible fixed assets		(4,089,807)		(13,936,846)	
Proceeds on disposal of tangible fixed assets		3,735,189		159,416	
Purchase of current asset investments		(3,540,025)		(16,067,496)	
Interest received		128,921		68,232	
Dividends received		-		18,470	
Net cash used in investing activities			(3,765,722)		(29,758,224)
Financing activities					
Repayment of borrowings		-		(7,666,667)	
New loans		5,000		24,500,000	
Payment of finance leases obligations		(68,516)		(63,369)	
Net cash (used in)/generated from financing activities			(63,516)		16,769,964
Net increase in cash and cash equivalents			600,052		5,544,204
Cash and cash equivalents at beginning of year			18,530,871		12,986,667
Cash and cash equivalents at end of year			19,130,923		18,530,871

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 2021. 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

Having taken into consideration the impact of the Covid-19 coronavirus pandemic, including the benefit of the government support packages available to help businesses through the pandemic, and in view of recent trading the directors have prepared financial projections and cash flow forecasts.

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 accounting period the group has 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 has 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 2021. 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

	2021	2020
	£	£
Turnover analysed by class of business		
From principal activities, entirely in the UK	248,982,420	243,681,636

	2021	2020
	£	£
Other significant revenue		
JRS grant income	5,451,111	5,266,359

4 Exceptional item

	2021 £	2020 £
Exceptional gain on disposal of property	(2,748,295)	-

5 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	4,045,335	3,990,026
Depreciation of tangible fixed assets held under finance leases	4,981	4,981
Profit on disposal of tangible fixed assets	(50,403)	(133,419)
Amortisation of intangible assets	1,045,812	1,045,811
Operating lease charges	53,281	231,569

6 Auditor's remuneration

	2021 £	2020 £
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	30,000	26,000
	37,500	33,500
For other services		
All other non-audit services	15,750	20,000

7 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Directors	2	2	2	2
Head office	100	81	-	-
Depots	782	762	-	-
Total	884	845	2	2

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Wages and salaries	25,420,924	24,729,154	-	-
Social security costs	2,530,599	2,365,317	-	-
Pension costs	446,551	554,122	-	-
	28,398,074	27,648,593	-	-

8 Retirement benefit schemes

	2021	2020
	£	£
Charge to profit or loss in respect of defined contribution schemes	446,551	554,122

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

	2021	2020
	£	£
Remuneration for qualifying services- total and highest paid	302,031	242,589

10 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Loan interest	251,508	120,798
Other finance costs:		
Interest on finance leases and hire purchase contracts	103,712	106,625
Total finance costs	355,220	227,423

11 Fair value gains/(losses)

	2021	2020
	£	£
Change in value of financial assets held at fair value through profit or loss	1,258,570	(239,409)

12 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	1,677,573	312,276
Deferred tax		
Origination and reversal of timing differences	603,194	323,398
Changes in tax rates	304,269	-
Adjustment in respect of prior periods	(1,952)	139,083
Total deferred tax	905,511	462,481
Total tax charge	2,583,084	774,757

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

	2021	2020
	£	£
Profit/(loss) before taxation	12,346,841	(70,305)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	2,345,900	(13,358)
Tax effect of expenses that are not deductible in determining taxable profit	18,557	5,182
Tax effect of income not taxable in determining taxable profit	(546,479)	-
Effect of change in corporation tax rate	304,987	-
Depreciation on assets not qualifying for tax allowances	409,139	456,314
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)	133,901
Other	-	11,589
Taxation charge	2,583,084	774,757

13 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 October 2020 and 30 September 2021	11,647,327
Amortisation and impairment	
At 1 October 2020	4,267,146
Amortisation charged for the year	1,045,812
At 30 September 2021	5,312,958
Carrying amount	
At 30 September 2021	6,334,369
At 30 September 2020	7,380,181

The company had no intangible fixed assets at 30 September 2021 or 30 September 2020.

14 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 2020	31,602,272	5,124,801	3,081,876	9,069,433	11,798,541	60,676,923
Additions	424,701	29,639	962,774	1,273,823	1,398,870	4,089,807
Disposals	(3,618,371)	-	-	(934,403)	(618,024)	(5,170,798)
At 30 September 2021	28,408,602	5,154,440	4,044,650	9,408,853	12,579,387	59,595,932
Depreciation and impairment						
At 1 October 2020	862,421	1,051,856	2,259,828	6,354,812	7,717,544	18,246,461
Depreciation charged in the year	359,375	210,789	350,985	1,250,749	1,878,418	4,050,316
Eliminated in respect of disposals	(44,578)	-	-	(856,459)	(584,975)	(1,486,012)
At 30 September 2021	1,177,218	1,262,645	2,610,813	6,749,102	9,010,987	20,810,765
Carrying amount						
At 30 September 2021	27,231,384	3,891,795	1,433,837	2,659,751	3,568,400	38,785,167
At 30 September 2020	30,739,851	4,072,945	822,048	2,714,621	4,080,997	42,430,462

The company had no tangible fixed assets at 30 September 2021 or 30 September 2020.

14 Tangible fixed assets (Continued)

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

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Plant and equipment	1,834,119	1,839,100	-	-

15 Fixed asset investments

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Investments in subsidiaries	16	-	-	1	1
Unlisted investments		14,420	14,420	-	-
Other investments		1,875,097	1,875,097	1,875,097	1,875,097
		1,889,517	1,889,517	1,875,098	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.

Mukadam Gray Partnership LLP made a gain of £440,630 (2020: £156,816 loss) during the period ended 5 April 2021 with an aggregate capital and reserves of £5,073,113 (2020: £4,932,483) at this date.

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

16 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 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

17 Stocks

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Finished goods and goods for resale	32,900,946	19,849,182	-	-

18 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	36,113,551	19,887,942	-	-
Amounts owed by group undertakings	3,375	3,375	7,635,980	7,635,980
Other debtors	7,841,567	4,189,959	-	-
Prepayments and accrued income	1,336,155	874,401	-	-
	45,294,648	24,955,677	7,635,980	7,635,980

19 Current asset investments

	Group 2021	2020	Company 2021	2020
	£	**£**	**£**	**£**
Listed investments	20,626,682	15,828,087	-	-

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 2021	2020	Company 2021	2020
		£	**£**	**£**	**£**
Obligations under finance leases	23	169,620	169,620	-	-
Other borrowings	22	4,505,000	4,500,000	-	-
Trade creditors		51,874,553	32,984,337	-	-
Corporation tax payable		1,677,246	312,276	-	-
Other taxation and social security		8,086,084	8,332,857	-	-
Other creditors		2,178,967	1,593,474	-	-
Accruals and deferred income		4,927,231	2,028,614	-	-
		73,418,701	49,921,178	-	-

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 £1,422,740 is included within cash at bank and in hand at 30 September 2021 (2020: £902,958).

21 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	22	20,000,000	20,000,000	-	-
Obligations under finance leases	23	696,878	765,394	-	-
		20,696,878	20,765,394	-	-

The long-term loans are secured by a legal charge over group properties dated 12 August 2020 and cross guarantee by all group companies. This loan is repayable by lump sum in September 2023.

22 Loans and overdrafts

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	20,000,000	20,000,000	-	-
Loans from related parties (note 29)	4,505,000	4,500,000	-	-
	24,505,000	24,500,000	-	-
Payable within one year	4,505,000	4,500,000	-	-
Payable after one year	20,000,000	20,000,000	-	-

The long-term bank loan is 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 is repayable by lump sum in September 2023.

23 Finance lease obligations

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	169,620	169,620	-	-
In two to five years	678,480	678,480	-	-
In over five years	339,240	508,860	-	-
	1,187,340	1,356,960	-	-
Less: future finance charges	(320,842)	(421,946)	-	-
	866,498	935,014	-	-

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 7 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 2021 £	Liabilities 2020 £
Accelerated capital allowances	1,270,779	362,276
Retirement benefit obligations	(2,992)	-
	1,267,787	362,276

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 October 2020	362,276	-
Charge to profit or loss	905,511	-
Liability at 30 September 2021	1,267,787	-

25 Share capital

Group and company Ordinary share capital	2021 Number	2020 Number	2021 £	2020 £
Issued and fully paid				
Ordinary Class A of £1 each	35,001	35,001	35,001	35,001
Ordinary Class B of £1 each	5,000	5,000	5,000	5,000
Ordinary Class C of £1 each	5,333	5,333	5,333	5,333
	45,334	45,334	45,334	45,334

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 2021 was £70,160 (2020: £35,883).

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	
	2021	2020	2021	2020
	£	£	£	£
Within one year	422,472	307,967	-	-
Between two and five years	1,312,913	725,000	-	-
In over five years	1,411,667	1,448,333	-	-
	3,147,052	2,481,300	-	-

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 prior year, LWC Drinks Limited was loaned £4,500,000 by Dorbiere Limited and sold goods and services to it amounting to £2,119,690 (2020: £2,988,835). At 30 September 2021, the LWC Drinks Limited owed £4,937,631 (2020: £4,744,500) to Dorbiere Limited. During the year interest charges of £40,050 (2020: £36,648) were incurred in respect of this loan. The loan is unsecured and repayable on demand. These companies are related through common control.

During the prior year interest charges of £42,643 were incurred in respect of a loan from the Dorbiere Directors Pension Benefit Scheme which is related through common control. The loan had been repaid by 30 September 2020 and there were no further transaction in the 2021 accounting period.

At 30 September 2021, the company owed £13,183 (2020: £13,399) 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. During the year interest charges of £Nil (2020: £27,118) were incurred in respect of a loan to the company from the LLP which had been repaid at the prior year end date. Mukadam Gray Partnership LLP is related through common control.

At 30 September 2021, the company owed £185,384 (2020: £85,277) to the Directors.

30 Controlling party

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

31 Cash generated from group operations

	2021	2020
	£	£
Profit/(loss) for the year after tax	9,763,757	(845,062)
Adjustments for:		
Taxation charged	2,583,084	774,757
Finance costs	355,220	227,423
Investment income	(128,921)	(86,702)
Gain on disposal of tangible fixed assets	(50,403)	(133,419)
Amortisation and impairment of intangible assets	1,045,812	1,045,811
Depreciation and impairment of tangible fixed assets	4,050,316	3,995,007
(Increase)/ decrease in value of current asset investments	(1,258,570)	239,409
Movements in working capital:		
(Increase)/decrease in stocks	(13,051,764)	11,730,343
(Increase)/decrease in debtors	(20,338,971)	13,725,069
Increase/(decrease) in creditors	22,227,542	(9,888,943)
Cash generated from operations	5,197,102	20,783,693

32 Analysis of changes in net debt - group

	1 October 2020	Cash flows	30 September 2021
	£	£	£
Cash at bank and in hand	18,530,871	600,052	19,130,923
Borrowings excluding overdrafts	(24,500,000)	(5,000)	(24,505,000)
Obligations under finance leases	(935,014)	68,516	(866,498)
	(6,904,143)	663,568	(6,240,575)