
Licensed Wholesale Company Limited
Financial Statements
for the year ended 30th September 2001



Licensed Wholesale Company Limited

Company Information

Chairman

Mr P Lewis

Directors

Mr R M Gray
Mr E K Mukadam
Mr P Lewis
Mr K Littlewood

Secretary

Miss L West

Registered office

Green Lane
Patricroft
Eccles
M30 0RJ

Auditors

Blueprint Audit Limited
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Licensed Wholesale Company Limited

Contents

	Page
Directors' report	1 and 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 to 16

Licensed Wholesale Company Limited

Directors' Report

for the year ended 30th September 2001

The directors present their report together with the audited financial statements for the company for the year ended 30th September 2001.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the company continued to be retailing and wholesaling wines, spirits and beers.

The subsidiary undertakings, Dateprofit Limited and Rogersons (Wine and Spirits) Limited, are dormant companies, Abbey Head Limited is a corporate trustee.

Results

The results for the year are set out in the profit and loss account on page 4.

The directors consider the state of the company's affairs to be satisfactory.

Dividends

The directors have paid an interim dividend of £Nil (2000: £17,540) during the year. The directors do not recommend the payment of a final dividend.

Directors and their interests

The directors who served during the year and their beneficial interests in the ordinary share capital of the company were as follows:

Name of director	Share type	At 30th September	At 1st October
		2001	2000
Mr R M Gray	£1 Ordinary	20,001	20,001
Mr E K Mukadam	£1 Ordinary	5,333	5,333
Mr P Lewis	£1 Ordinary	-	-
Mr K Littlewood	£1 Ordinary	-	-
Mr N B Wimpenny (resigned 19th December 2000)			

Licensed Wholesale Company Limited

Directors' Report

for the year ended 30th September 2001

Auditors

The auditors, Lathams, have transferred their audit business to Blueprint Audit Limited. In accordance with Section 26 of the Companies Act 1989, Blueprint Audit Limited has been appointed as auditor to succeed Lathams, and will be proposed for reappointment at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

By order of the Board

A handwritten signature in black ink, appearing to be 'L West', written over the text 'By order of the Board'.

Miss L West, Secretary

Date: 31st January 2002

**Independent Auditors' report to the
Shareholders of Licensed Wholesale Company Limited**

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 2001 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blueprint Audit Limited

**Blueprint Audit Limited
Registered Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP
Date: 31st January 2002**

Licensed Wholesale Company Limited

Profit and Loss Account

for the year ended 30th September 2001

	Notes	2001 £	2000 £
Turnover		38,734,254	35,143,952
Cost of sales		(31,327,134)	(28,772,183)
Gross profit		7,407,120	6,371,769
Distribution costs		(2,858,638)	(2,101,080)
Administrative expenses	2	(3,913,854)	(3,598,375)
Other operating income		634,628	672,314
		6,784	-
Operating profit	3	641,412	672,314
Interest receivable		1,408	-
Interest payable	5	(97,162)	(93,195)
Profit on ordinary activities before taxation		545,658	579,119
Tax on profit on ordinary activities	6	(184,533)	(192,449)
Profit for the financial year		361,125	386,670
Dividends	7	-	(17,540)
Retained profit for the year	19	361,125	369,130

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Licensed Wholesale Company Limited

Balance Sheet

as at 30th September 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Intangible assets	8		154		877
Tangible assets	9		1,825,465		1,555,767
Investments	10		2,500		2,500
			<u>1,828,119</u>		<u>1,559,144</u>
Current assets					
Stocks	12	3,918,052		2,666,418	
Debtors	13	3,272,357		2,897,180	
Cash at bank and in hand		791,785		559,051	
		<u>7,982,194</u>		<u>6,122,649</u>	
Creditors: amounts falling due within one year	14	<u>(7,906,842)</u>		<u>(6,005,092)</u>	
Net current assets			<u>75,352</u>		<u>117,557</u>
Total assets less current liabilities			<u>1,903,471</u>		<u>1,676,701</u>
Creditors: amounts falling due after more than one year	15		(94,503)		(164,783)
Provisions for liabilities and charges					
Deferred taxation	17		(122,939)		(187,014)
			<u>1,686,029</u>		<u>1,324,904</u>
Capital and reserves					
Called up share capital	18		45,334		45,334
Capital redemption reserve	19		21,335		21,335
Profit and loss account	19		1,619,360		1,258,235
Equity shareholders' funds	20		<u>1,686,029</u>		<u>1,324,904</u>

These financial statements were approved by the board on 31st January 2002


Mr R M Gray
Director

Licensed Wholesale Company Limited

Cash Flow Statement

for the year ended 30th September 2001

	Notes	2001 £	2000 £
Net cash inflow from operating activities	21	364,122	662,004
Returns on investments and servicing of finance	22	(95,754)	(93,195)
Taxation		(111,121)	(16,267)
Capital expenditure	22	(526,061)	(241,212)
Equity dividends paid		-	(17,540)
Cash (outflow)/inflow before use of liquid resources and financing		(368,814)	293,790
Financing	22	(135,679)	(143,582)
(Decrease)/increase in cash		<u>(504,493)</u>	<u>150,208</u>
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the year		(504,493)	150,208
Decrease in loans	23	135,679	143,582
Change in net debt resulting from cash flows		(368,814)	293,790
New finance leases		(20,889)	(29,236)
Movement in net debt in the year	23	(389,703)	264,554
Net debt at 1st October 2000		(1,338,669)	(1,603,223)
Net debt at 30th September 2001	23	<u>(1,728,372)</u>	<u>(1,338,669)</u>

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

I Accounting policies

Accounting convention

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

Group accounts

The company is exempt from the requirement to prepare group accounts by virtue of the subsidiary undertakings being dormant companies whose results are not material to the group. These financial statements present information about the company as an individual undertaking and not as a group.

Turnover

Turnover represents the invoiced amount of goods sold less returns and allowances, excluding value added tax.

Goodwill

Goodwill is stated at cost less amortisation. Goodwill is amortised on a straight-line basis over its estimated useful economic life of three years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Freehold buildings have been depreciated so as to write down the cost of the buildings to their ultimate residual value.

Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all tangible assets other than Freehold Land, except as noted above, over their expected useful lives. The principal annual rates and methods used are:

Freehold buildings	2% straight line on 20% of cost
Leasehold buildings	Over the period of the lease
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	20% straight line

Leasing and hire purchase

Certain tangible fixed assets are held under finance leases and hire purchase agreements. These assets are included in the balance sheet and are depreciated accordingly. The capital element of the corresponding financing commitments is included in the balance sheet. The finance element of repayments is charged to the profit and loss account in proportion to the reducing capital element outstanding.

All other leases held are operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Fixed asset investments

Fixed asset investments are included at cost.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

Deferred taxation

Deferred taxation is calculated under the liability method at the appropriate rate of tax in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements to the extent that, in the opinion of the directors, those differences will give rise to tax liabilities in the foreseeable future.

Pension costs

Pension costs are recognised on a systematic basis over the period that the company benefits from the services of the employees who are members of the pension scheme.

2	Exceptional items	2001 £	2000 £
	Included in administrative expenses are the following exceptional costs:		
	Redundancy costs	-	64,959
	Bad debt written back	-	(90,000)
		-	(25,041)

3 Operating profit

<i>The operating result is stated after charging:</i>	2001 £	2000 £
Depreciation - owned assets	167,239	135,770
Depreciation - assets held under hire purchase contracts and finance leases	66,131	79,430
Amortisation of goodwill	723	382
Loss on disposal of fixed assets	43,882	10,497
Auditors' remuneration - non audit work	7,375	15,250
Amounts payable to auditors in respect of audit services	15,000	15,156
Plant and machinery - operating leases	102,907	138,671
Land and buildings operating lease rentals	279,136	279,136

4 Directors and employees

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	2,803,677	2,648,679
Social security costs	226,610	206,981
	3,030,287	2,855,660

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

The average monthly number of employees, including directors, during the year was as follows:

	2001 Number	2000 Number
Administration, selling and distribution	157	162

Directors' emoluments

	2001 £	2000 £
Aggregate emoluments	97,702	14,923

5 Interest payable

	2001 £	2000 £
On bank loans and overdrafts	74,643	67,858
Hire purchase and finance lease interest	22,519	25,337
	97,162	93,195

6 Taxation

	2001 £	2000 £
Based on the profit for the year:		
UK corporation tax at 30% (2000: 30%)	175,932	99,206
Deferred tax charge	(4,304)	58,205
	171,628	157,411
Prior periods		
UK corporation tax	72,676	9,653
Deferred tax charge	(59,771)	25,385
	184,533	192,449

The tax charge for the year has been increased by approximately £74,450 (2000 : reduced by £10,600) in respect of permanent timing differences and reduced by approximately £16,500 (2000 : £27,500) due to marginal relief.

7 Dividends

	2001 £	2000 £
Equity dividends		
Ordinary dividends - paid on 20,000 shares	-	17,540

During 2000 the shareholders holding 25,334 shares waived their right to receive a dividend.

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

8 Intangible fixed assets

	Goodwill £
Cost	
At 1st October 2000 and at 30th September 2001	5,545
Amortisation	
At 1st October 2000 and at 30th September 2001	4,668
Provided during the year	723
Net book value	
At 30th September 2001	<u>154</u>
At 30th September 2000	<u>877</u>

The goodwill relates to the acquisition of the right to trade with a new customer base.

9 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost						
At 1st October 2000	697,681	251,868	297,498	588,792	563,693	2,399,532
Additions	417,606	9,721	20,412	36,161	63,475	547,375
Disposals	-	-	(82,232)	-	-	(82,232)
At 30th September 2001	<u>1,115,287</u>	<u>261,589</u>	<u>235,678</u>	<u>624,953</u>	<u>627,168</u>	<u>2,864,675</u>
Depreciation						
At 1st October 2000	3,807	95,369	146,636	271,338	326,615	843,765
Charge for the year	2,822	25,149	46,147	83,186	76,066	233,370
Disposals	-	-	(37,925)	-	-	(37,925)
At 30th September 2001	<u>6,629</u>	<u>120,518</u>	<u>154,858</u>	<u>354,524</u>	<u>402,681</u>	<u>1,039,210</u>
Net book value						
At 30th September 2001	<u>1,108,658</u>	<u>141,071</u>	<u>80,820</u>	<u>270,429</u>	<u>224,487</u>	<u>1,825,465</u>
At 30th September 2000	<u>693,874</u>	<u>156,499</u>	<u>150,862</u>	<u>317,454</u>	<u>237,078</u>	<u>1,555,767</u>

Assets held under finance leases and hire purchase have a net book value of £197,396 (2000: £181,503). Depreciation charged for the year was £66,131 (2000: £79,430).

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

10 Fixed asset investments

	Investments other than loans £
Cost	
At 1st October 2000 and 30th September 2001	2,500
Net book value	
At 30th September 2000 and 30th September 2001	2,500

11 Principal Fixed Asset Investments

The company holds more than 20% of the share capital of the following:

Name	Class of share	Proportion held	Nature of business
Dateprofit Limited	Ordinary	100%	Dormant
Rogersons (Wine and Spirits) Limited	Ordinary	100%	Dormant
Abbey Head Limited	Ordinary	100%	Corporate trustee

The company's voting rights in respect of each subsidiary are held in the same proportion as the company's share of the ordinary share capital of each subsidiary.

The aggregate capital and reserves at 30th September 2001 and the results of each subsidiary undertaking for the financial year then ended are as follows:

	Profit/(loss) for the year		Capital and reserves	
	2001	2000	2001	2000
	£	£	£	£
Principal subsidiary undertakings:				
Dateprofit Limited	-	-	73,349	73,349
Rogersons (Wine and Spirits) Limited	-	-	(4,040)	(4,040)
Abbey Head Limited	-	-	2	2

12 Stocks

	2001	2000
	£	£
Goods for resale	3,918,052	2,666,418

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

13	Debtors	2001 £	2000 £
	Trade debtors	2,966,709	2,738,868
	Amounts owed by group undertakings	143,884	21,137
	Other debtors	34,741	11,258
	Prepayments	109,523	125,917
	Directors' loan account	17,500	-
		<u>3,272,357</u>	<u>2,897,180</u>

14	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank loans and overdraft	2,357,167	1,655,020
	Trade creditors	3,491,583	3,193,516
	Other creditors	107,083	130,402
	Accruals	782,783	353,001
	Corporation tax	236,693	99,206
	Other taxes and social security	863,046	496,030
	Net obligations under hire purchase and finance lease contracts	68,487	77,917
		<u>7,906,842</u>	<u>6,005,092</u>

Bank loans and overdraft are secured by various legal mortgages, life policies and mortgages debentures on certain of the company's properties.

15	Creditors: amounts falling due after more than one year	2001 £	2000 £
	Net obligations under hire purchase and finance lease contracts	<u>94,503</u>	<u>164,783</u>

16	Obligations under hire purchase contracts and finance leases	2001 £	2000 £
	Obligations under finance leases and hire purchase contracts fall due for repayment as follows:		
	Within one year	68,487	77,917
	Between one and five years	94,503	164,783
		<u>162,990</u>	<u>242,700</u>

Obligations under hire purchase contracts and finance leases are secured on the assets concerned.

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

17 Deferred taxation

The movement on the provision for deferred tax was as follows:

	2001 £	2000 £
At 1st October 2000	187,014	103,424
Transfer to profit and loss account	(64,075)	83,590
At 30th September 2001	<u>122,939</u>	<u>187,014</u>

Deferred taxation provided in the financial statements is set out below.

	Amount provided	
	2001 £	2000 £
Accelerated capital allowances	11,174	21,320
Other timing differences	122,939	165,694
	<u>134,113</u>	<u>187,014</u>

18 Share capital

Authorised

Equity shares

1,000,000 Ordinary shares of £1 each

2001 £	2000 £
-----------	-----------

<u>1,000,000</u>	<u>1,000,000</u>
------------------	------------------

Allotted

Equity shares

45,334 Allotted, called up and fully paid ordinary shares of £1 each

<u>45,334</u>	<u>45,334</u>
---------------	---------------

19 Reserves

At 1st October 2000

Profit for the year

At 30th September 2001

Capital Redemption Reserve £	Profit and loss account £
21,335	1,258,235
-	361,125
<u>21,335</u>	<u>1,619,360</u>

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

20 Reconciliation of movement in shareholders' funds

	2001	2000
	£	£
Profit for the financial year	361,125	386,670
Dividends	-	(17,540)
Increase in the shareholders' funds	361,125	369,130
Opening shareholders' funds	1,324,904	955,774
Closing shareholders' funds	1,686,029	1,324,904

21 Reconciliation of operating profit to net cash inflow from operating activities

	2001	2000
	£	£
Operating profit	641,412	672,314
Depreciation charges	233,370	215,200
Amortisation of intangible fixed assets	723	382
Loss on sale of fixed assets	43,882	10,497
Increase in stocks	(1,251,634)	(316,670)
Increase in debtors	(375,177)	(662,200)
Increase in creditors	1,071,546	742,481
	364,122	662,004

22 Gross cash flows

	2001	2000
	£	£
Returns on investments and servicing of finance		
Interest received	1,408	-
Interest paid	(74,643)	(67,858)
Interest element of finance lease rentals payment	(22,519)	(25,337)
	(95,754)	(93,195)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(526,486)	(248,712)
Proceeds from the sale of tangible fixed assets	425	7,500
	(526,061)	(241,212)
Financing		
Decrease in other bank loans due within one year	(35,080)	(32,296)
Decrease in bank loans due in more than one year	-	(32,403)
Capital element of finance lease rentals payments	(100,599)	(78,883)
	(135,679)	(143,582)

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

23 Analysis of changes in net debt

	1st October 2000	Cash flows	Non-cash changes	30th September 2001
	£	£	£	£
Cash at bank and in hand	559,051	232,734	-	791,785
Bank overdraft	(1,619,940)	(737,227)	-	(2,357,167)
	(1,060,889)	(504,493)	-	(1,565,382)
Debt due within one year	(35,080)	35,080	-	-
Finance leases	(242,700)	100,599	(20,889)	(162,990)
	(277,780)	135,679	(20,889)	(162,990)
	(1,338,669)	(368,814)	(20,889)	(1,728,372)

24 Employee Benefit Trust

The company has established an Employee Benefit Trust with the object of promoting employee loyalty and goodwill. Contributions during the year totalled £Nil (2000: £225,000), and distributions made during the year were £128,170 (2000: £Nil).

In accordance with FRS5 - "Reporting the Substance of Transactions", trust assets of £409,796 (2000: £552,313) have been incorporated into the company's balance sheet. As the contributions should be wholly deductible for tax purposes in the year they are made, provision has been made for deferred tax on the contributions relating to those assets.

25 Control

The company was under the control of its directors, who controlled the whole of the company's issued ordinary share capital throughout the whole of the year and the previous year.

26 Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Operating leases which expire:				
Within one year	26,158	-	48,284	60,183
Between two and five years	167,148	196,632	17,880	66,710
After five years	62,500	82,504	-	-
	255,806	279,136	66,164	126,893

Licensed Wholesale Company Limited

Notes to the Financial Statements

for the year ended 30th September 2001

27 Capital commitments

The company had the following capital commitments:

	2001	2000
	£	£
Contracted for but not provided in the financial statements	-	375,801

28 Related party transactions

Under the disclosure requirements of Financial Reporting Standard 8 - "Related Party Disclosures", the company is a related party of the following:

- Dorbiere Limited;
- Priortriple Limited;
- Robinrate Limited;
- Moonshine Corporation Limited; and
- Dorbiere Directors' Benefit Pension Scheme.

During the year Licensed Wholesale Company Limited sold goods to the following related parties: Dorbiere Limited, £802,680 (2000: £769,452), and Priortriple Limited, £Nil (2000: £51,314). The company also purchased goods and services from Dorbiere Limited, £4,254,226 (2000: £3,435,043) and Priortriple Limited, £Nil (2000: £113,061).

At 30th September 2001 the company was owed £143,884 (2000: £89,502), £Nil (2000: £404), and £47 (2000: £14,761) by Dorbiere Limited, Priortriple Limited and Robinrate Limited respectively.

Included in trade creditors at the same date, the company owed £509,893 (2000: £345,427) and £Nil (2000: £11,564) to Dorbiere Limited and Priortriple respectively.

29 Contingent liabilities

The company has a composite guarantee dated 20th March 1997 with Dorbiere Limited, Priortriple Limited, Robinrate Limited and Abbeyhead Limited. At 30th September 2001, these companies had bank overdrafts totalling £Nil (2000: £688,451).

The Drinks Company Limited is currently suing Licensed Wholesale Company Ltd £652,000 for breach of contract. The directors of Licensed Wholesale Company Limited are confident that no payment will be made.