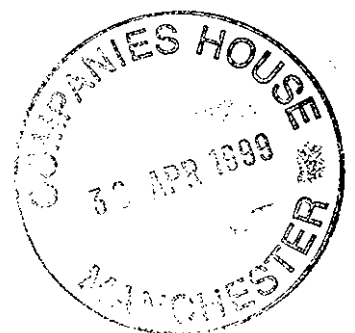

Licensed Wholesale Company Limited

Abbreviated Accounts

for the year ended 30th September 1998



COMPANIES HOUSE 30/04/99



Licensed Wholesale Company Limited

Company Information

Company No: 2053090

Chairman	Mr P Lewis
Directors	Mr R M Gray Mr E K Mukadam Mr P Lewis
Secretary	Mr E I Moorhouse
Registered Office	Green Lane Patricroft Eccles M30 0RJ
Auditors	Latham Crossley & Davis Sumner House St. Thomas's Road Chorley PR7 1HP

Licensed Wholesale Company Limited

Index

Contents	Page No.
Directors' Report	1 to 3
Abbreviated Auditors' Report	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Notes to the Abbreviated Accounts	7 to 14

Licensed Wholesale Company Limited

Directors' Report

for the year ended 30th September 1998

The directors submit their report together with the abbreviated accounts for the year ended 30th September 1998.

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 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; 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 to enable them to ensure 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £277,981. After deducting taxation, the profit of £205,898 has been transferred to reserves.

The directors do not recommend the payment of a dividend.

Principal Activity and Business Review

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

On the 19th August 1998, the company changed its name from Licenced Wholesale Consortium Company Limited to Licensed Wholesale Company Limited.

The subsidiary undertakings, Dateprofit Limited and Rogersons (Wine and Spirits) Limited, are dormant companies.

The directors plan to continue with the management policies which have led to the satisfactory result achieved in the year.

Licensed Wholesale Company Limited

Directors' Report

for the year ended 30th September 1998

Directors and their Interests

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

	Ordinary shares of £1 each	
	30th September 1998	1st October 1997
	No.	No.
Mr R M Gray	20,001	20,001
Mr E K Mukadam	5,333	5,333
Mr P Lewis	-	-

Year 2000

It is well known that many computers and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The directors have begun a full review of the company's systems to assess the likely extent of the impact of the Year 2000 issue on the company, and the risks that it faces. Priority will be given to those systems which would have a significant financial or legal impact on the company's business if they were to fail. The directors are also considering the impact on our business of Year 2000 related failures by our significant suppliers and customers.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the Board believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

The total cost of modifications to the company's computer hardware and software is estimated at £150,000. Expenditure of £20,000 has been incurred during the year by the company. Any remaining expenditure will be incurred in the next financial year.

Licensed Wholesale Company Limited

Directors' Report

for the year ended 30th September 1998

Auditors

The Auditors, Latham Crossley & Davis Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:

A handwritten signature in dark ink, appearing to read 'E I Moorhouse', with a horizontal line extending to the right.

E I Moorhouse, Secretary

Date: 30th April 1999

Auditors' Report

To Licensed Wholesale Company Limited

Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 5 to 14 together with the full financial statements of Licensed Wholesale Company Limited for the year ended 30th September 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the full financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 14 have been properly prepared in accordance with that provision.



Latham Crossley & Davis
Registered Auditors and
Chartered Accountants

30th April 1999

Sumner House
St. Thomas's Road
Chorley
PR7 1HP

Licensed Wholesale Company Limited
Abbreviated Profit and Loss Account
for the year ended 30th September 1998

	Notes	1998 £	1997 £
Gross profit		4,421,148	4,620,920
Distribution costs		(1,222,503)	(1,161,145)
Administrative expenses		(2,900,011)	(3,090,243)
Other operating income		5,406	69,100
Operating profit	2	304,040	438,632
Interest payable	4	(26,059)	(71,680)
Profit on ordinary activities before taxation		277,981	366,952
Tax on profit on ordinary activities	5	(72,083)	(98,149)
Retained profit transferred to reserves	17	205,898	268,803

Licensed Wholesale Company Limited

Abbreviated Balance Sheet

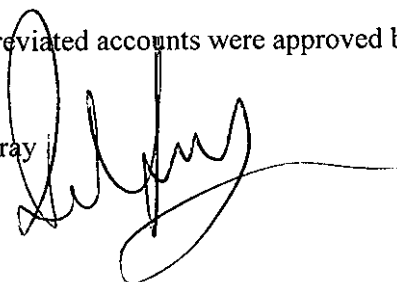
as at 30th September 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed Assets					
Intangible assets	6		4,418		-
Tangible assets	7		1,095,811		1,025,340
Investments	8		2,500		2,500
			<u>1,102,729</u>		<u>1,027,840</u>
Current Assets					
Stocks	10	1,905,113		1,517,170	
Debtors	11	1,136,892		860,002	
Cash at bank and in hand		374,766		333,302	
		<u>3,416,771</u>		<u>2,710,474</u>	
Creditors:					
Amounts falling due within one year	12	(3,175,888)		(2,526,535)	
Net Current Assets			<u>240,883</u>		<u>183,939</u>
Total Assets Less Current Liabilities			<u>1,343,612</u>		<u>1,211,779</u>
Creditors:					
Amounts falling due after more than one year	13		(256,055)		(328,884)
Provisions for Liabilities and Charges					
Deferred taxation	15		(111,404)		(112,640)
			<u>976,153</u>		<u>770,255</u>
Capital and Reserves					
Called up share capital	16		45,334		45,334
Capital redemption reserve	17		21,335		21,335
Profit and loss account	17		909,484		703,586
Equity Shareholders' Funds			<u>976,153</u>		<u>770,255</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These abbreviated accounts were approved by the board on 30th April 1999

Mr R M Gray
Director



The notes on pages 7 to 14 form part of these abbreviated accounts.

Licensed Wholesale Company Limited

Notes to the Abbreviated Accounts

for the year ended 30th September 1998

1 Principal 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 seven months.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land and buildings, over their expected useful lives.

No depreciation is provided on freehold buildings as it is the company's policy to maintain these properties to a high standard to protect their trade and the costs of maintenance are charged to the profit and loss account. Consequently, the directors consider that the aggregate of their residual values is at least equal to the aggregate of their book values. The Companies Act 1985 requires all tangible fixed assets to be depreciated, but the directors consider that the treatment adopted results in the accounts showing a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

The principal annual rates and methods used to depreciate other categories of asset are as follows:

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

Licensed Wholesale Company Limited

Notes to the Abbreviated Accounts

for the year ended 30th September 1998

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.

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.

2 Operating Profit

The operating profit is stated after charging:

	1998	1997
	£	£
Plant and machinery - operating leases	72,821	22,220
Land and buildings operating lease rentals	304,016	502,366
Amounts payable to the auditors in respect of audit services	6,200	7,750
Depreciation - owned assets	125,467	156,990
Depreciation - assets held under hire purchase or finance lease contracts	67,059	47,240
Amortisation of goodwill	1,126	95,437
Loss on disposal of fixed assets	17,021	79,455

Licensed Wholesale Company Limited

Notes to the Abbreviated Accounts

for the year ended 30th September 1998

3 Directors and Employees

Staff costs during the year were as follows:

	1998 £	1997 £
Wages and salaries	1,587,646	1,695,586
Social security costs	147,533	152,619
	<u>1,735,179</u>	<u>1,848,205</u>

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

	1998 Number	1997 Number
Administration, selling and distribution	<u>122</u>	<u>129</u>

Remuneration in respect of directors was as follows:

	£	£
Emoluments	<u>-</u>	<u>150,072</u>

4 Interest Payable

	1998 £	1997 £
On bank loans and overdraft	7,883	49,617
Hire purchase and finance lease interest	18,176	22,063
	<u>26,059</u>	<u>71,680</u>

5 Tax on Profit on Ordinary Activities

	1998 £	1997 £
<i>Based on the profit for the year:</i>		
U.K. Corporation tax at 21.00% (1997: 22.50%)	52,453	63,780
Deferred tax charge	5,813	40,949
	<u>58,266</u>	<u>104,729</u>
Prior year adjustments - corporation tax	20,866	(6,580)
Prior year adjustments - deferred tax	(7,049)	-
	<u>72,083</u>	<u>98,149</u>

The tax charge for the year has been increased by approximately £4,800 (1997 : £12,250) in respect of permanent timing differences, reduced by approximately £4,890 (1997 : increased by approximately £9,900) in respect of short term timing differences.

Licensed Wholesale Company Limited

Notes to the Abbreviated Accounts

for the year ended 30th September 1998

6 Intangible Fixed Assets

	Goodwill
Cost	£
Increase during the year and at 30th September 1998	5,544
Amortisation	
Provided during the year and at 30th September 1998	1,126
Net Book Value	
At 30th September 1998	4,418

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

7 Tangible Fixed Assets

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£	£	£
At 1st October 1997	402,271	85,352	141,810	581,221	260,692	1,471,346
Additions	-	62,065	46,168	126,071	70,677	304,981
Disposals	-	-	-	(121,075)	(3,000)	(124,075)
At 30th September 1998	402,271	147,417	187,978	586,217	328,369	1,652,252
Depreciation						
At 1st October 1997	-	24,300	71,572	204,557	145,577	446,006
Charged for the year	-	22,910	19,719	88,593	61,304	192,526
Eliminated on disposal	-	-	-	(82,091)	-	(82,091)
At 30th September 1998	-	47,210	91,291	211,059	206,881	556,441
Net Book Value						
Owned assets	402,271	100,207	96,687	47,857	121,488	768,510
Leased assets	-	-	-	327,301	-	327,301
At 30th September 1998	402,271	100,207	96,687	375,158	121,488	1,095,811
Owned assets	402,271	61,052	70,238	61,432	115,115	710,108
Leased assets	-	-	-	315,232	-	315,232
At 30th September 1997	402,271	61,052	70,238	376,664	115,115	1,025,340

Licensed Wholesale Company Limited

Notes to the Abbreviated Accounts

for the year ended 30th September 1998

8 Fixed Asset Investments

	Investments Other Than Loans £
Cost	
At 1st October 1997 and as at 30th September 1998	2,500
Net Book Value	
At 30th September 1997 and as at 30th September 1998	2,500

9 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
<i>Principal subsidiary undertakings:</i>			
Dateprofit Limited	Ordinary	100%	Dormant
Rogersons (Wines and Spirits) Limited	Ordinary	100%	Dormant

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 1998 and the results of each subsidiary undertaking for the financial year then ended are as follows:

	Aggregate capital and reserves		Profit / (loss) for the year	
	1998	1997	1998	1997
	£	£	£	£
<i>Principal subsidiary undertakings:</i>				
Dateprofit Limited	73,349	73,349	-	-
Rogersons (Wines and Spirits) Limited	(4,040)	(4,040)	-	-

10 Stocks

	1998	1997
	£	£
Goods for resale	1,905,113	1,517,170

Licensed Wholesale Company Limited

Notes to the Abbreviated Accounts

for the year ended 30th September 1998

11 Debtors	1998	1997
	£	£
Trade debtors	948,212	606,451
Amounts owed by group undertakings	91,303	68,137
Other debtors	37,937	79,833
Prepayments	59,440	105,581
	<u>1,136,892</u>	<u>860,002</u>
 12 Creditors: Amounts falling due within one year	 1998	 1997
	£	£
Bank loans and overdraft	780,808	64,699
Net obligations under hire purchase and finance lease contracts	86,904	76,420
Trade creditors	1,467,817	994,956
Amounts owed to group undertakings	332,288	707,671
Corporation tax	52,453	63,780
Other taxes and social security	148,461	196,091
Other creditors	-	33,513
Accruals	307,157	389,405
	<u>3,175,888</u>	<u>2,526,535</u>

The bank overdraft is secured by a mortgage debenture dated 10th May 1995 over unscheduled assets of the company. The loans are secured on various properties of the company by charges and mortgages in favour of the bank.

13 Creditors: Amounts falling due after one year	1998	1997
	£	£
Bank loans	97,102	161,801
Net obligations under hire purchase and finance lease contracts	158,953	167,083
	<u>256,055</u>	<u>328,884</u>

Analysis of borrowings by year of repayment:

	1998	1997
Bank loans fall due for repayment:		
	£	£
Within one year	64,699	64,699
Between one and two years	64,699	64,699
Between two and five years	32,403	97,102
	<u>161,801</u>	<u>226,500</u>

Licensed Wholesale Company Limited

Notes to the Abbreviated Accounts

for the year ended 30th September 1998

14	Obligations Under Hire Purchase & Finance Leases	1998	1997
		£	£
	Obligations under finance leases and hire purchase contracts fall due for repayment as follows:		
	Within one year	86,904	76,420
	Between one and two years	52,542	66,968
	Between two and five years	106,411	100,115
		<u>245,857</u>	<u>243,503</u>

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

15 Deferred Taxation

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

	Amount Provided		Amount Unprovided	
	1998	1997	1998	1997
	£	£	£	£
Accelerated capital allowances	8,243	-	-	-
Other timing differences	103,161	112,640	-	-
	<u>111,404</u>	<u>112,640</u>	<u>-</u>	<u>-</u>

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

	£
At 1st October 1997	112,640
Transfer to profit and loss account	(1,236)
At 30th September 1998	<u>111,404</u>

16 Share Capital

Authorised	1998	1997
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
 Allotted, called up and fully paid	 1998	 1997
	£	£
45,334 Ordinary shares of £1 each	<u>45,334</u>	<u>45,334</u>

Licensed Wholesale Company Limited

Notes to the Abbreviated Accounts

for the year ended 30th September 1998

17 Reserves

	Capital Redemption Reserve £	Profit and Loss Account £
At 1st October 1997	21,335	703,586
Retained profit for the year	-	205,898
At 30th September 1998	<u>21,335</u>	<u>909,484</u>

18 Operating lease commitments

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

	1998 Land and buildings £	1998 Other £	1997 Land and buildings £	1997 Other £
Expiring:				
Within one year	42,000	26,076	165,516	14,124
Within two to five years	232,712	48,545	138,500	52,536
	<u>274,712</u>	<u>74,621</u>	<u>304,016</u>	<u>66,660</u>

19 Capital Commitments

	1998 £	1997 £
--	-----------	-----------

Capital commitments as at 30th September 1998 are as follows:

Capital expenditure authorised and contracted for but not provided in these financial statements

<u>92,525</u>	<u>-</u>
---------------	----------

20 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 1998, these companies had credit bank balances of £122,934 (1997 : overdraft balances of £745,278).