

Company registration number 07677007 (England and Wales)

LWC DRINKS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

LWC DRINKS LIMITED

COMPANY INFORMATION

Directors	R M Gray E K Mukadam
Secretary	M P Cowen
Company number	07677007
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

LWC DRINKS LIMITED

CONTENTS

	Page
Strategic report	1 - 4
Directors' report	5 - 8
Independent auditor's report	9 - 11
Statement of comprehensive income	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements	15 - 29

LWC DRINKS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present the strategic report for the year ended 30 September 2024.

Fair review of the business

The financial year ended 30th September 2024 saw the company consolidate its operations following a year of substantial growth in 2023, and further expand with the acquisition of the wholesaling division of Glamorgan Brewing Company, a wholesaler operating in Glamorgan and the South Wales area, by purchasing the entire share capital of GBC Topco Limited. We have purchased a new site in Tonyrefail, and will relocate our South Wales operations there during 2024/25.

We have worked to integrate the operations of our recent acquisition, Hills Prospect, into the LWC family. They are proving to be an excellent acquisition, and, together with the relocation of one of our existing depots into a new site in Aylesbury, will allow us to better serve our customer base throughout the London and South East of England areas.

We have also purchased a new site in Merseyside and have successfully relocated our existing business to the new site. This allows us to trade from over 1.3 million square feet of properties, allowing us the flexibility and space to make our operations as effective and efficient as possible.

Review of the business

Our strategy

We continue to review and update our strategy in four key areas of the business – our people, our operations, our finances and our environmental responsibilities.

Our people

We have continued to deal with the cost-of-living challenges that affect all of our employees. As has been widely reported, the impact of changes in the labour force led to increased competition and challenges in recruiting and retaining staff in critical areas of the business. Recent increases in the cost of Employers National Insurance have also increased to on-costs of our employee base. We have adapted our policies to ensure that recruitment and retention of key skilled employees remains a priority and we have successfully increased the average number of employees in the business from 1,344 to 1,468. We continue to ensure that our employees receive a competitive remuneration.

During the year, the company built on the launch of its first Employee Resource Group, 'LWC's Women's Network' to support, inspire and develop women across the business and our wider industry. We have held several face to face meetings available to all employees, together with significant resources to enable everyone to benefit from their employment with the company. Our employee benefits portal, Cheers!, recognises and rewards the hard work of everyone at LWC, through employee-to-employee recognition and offers a range of employee discounts across a variety of businesses and services. The platform has also allowed us to better communicate with those harder to reach 'offline' colleagues in our distribution teams.

Operational response

During the financial year, we have opened our 116,000 sq ft site in Aylesbury, built and opened a 73,000 sq ft site in Knowsley and also expanded our presence in Leeds and Eastbourne.

We have continued to invest heavily in new operational systems during the year, rolling out our Warehouse Management System throughout our depots, This will enable us to improve live visibility of our company and hence our cost control and profitability.

Our other challenges revolve around continuous engagement with our customer base, and our supplier network.

The challenges of driver and labour engagement were managed successfully through the period to ensure our growth was appropriately resourced.

LWC DRINKS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Financial response

As noted above, we have invested heavily in new depots and businesses to grow LWC for the long term future. As noted in the 2023 accounts, we agreed an extension to our credit facilities with the Royal Bank of Scotland / Nat West. This gives us freedom to draw down a facility up to £30m should we require it. Our business continues to generate cash, and our expectation is that these facilities are more than adequate for the long term financial well-being of the business.

Environmental response

We are committed to improving our environmental impact and have invested in a number of projects during the year. Our Environmental Social Governance Committee, established last year, comprises a number of employees across all disciplines within the business.

We recognise the impact and role that the company plays as a corporate citizen, and the committee has built on its initial brief to set out key focus areas and priorities and has begun implementing strategies to support these.

The committee are looking at the three main pillars of ESG – Environmental, Social Policy and Governance.

Projects under consideration include:-

Environmental

- Energy efficient facilities
- Solar panelling
- Renewable energy contracts
- Packaging review
- Waste management and recycling
- Vehicle procurement
- Fuel Sources

Social Policy

- Training and Development of employees
- Community engagements
- Communications with internal and external stakeholders
- Marketing
- Ethical investments

Governance

- Regulatory reporting
- Ethical Marketing and Sales Practices
- Diversity and Inclusion policy

Our Task Force on Climate Related Financial Disclosures Report (TCFD) and Streamlined Energy & Carbon Report (SECR) is detailed in the Directors' report which follows. We are continually investing in our commercial vehicles, ensuring that the older, more polluting vehicles are replaced by modern efficient delivery vehicles as soon as it is prudent to do so. All new vehicles being purchased for our car fleet are hybrid or fully electric and charging points are being installed at all company locations. We aim to replace all petrol/diesel vehicles in the next five years.

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

Future opportunities and challenges

Our business remains robust to meet any new challenges, whether from specific industry issues or other market led changes. The business will continue to focus heavily on managing its margins and cost base, particularly in light of increased risks and inflationary pressures across the industry. We are grateful to our staff, customers, and suppliers during the year for their continuing support and look forward to enjoying a successful year together.

LWC DRINKS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Principal risks and uncertainties

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

Business risk

The business operates within a fast paced market with the key risks relating to competition, liquidity of our customer and supplier base, product availability, employee recruitment and retention and exchange rate fluctuations. We continue to be mindful of the impact of inflation on the cost and availability of goods we source, and continue to use strategies to minimise the risks to the company. The impact of spending power within the wider economy has been well documented and remains a key risk to the entire hospitality industry.

Financial risk management

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

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

Credit risk

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

Liquidity risk

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

Key performance indicators

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

Promoting the success of the company
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

LWC DRINKS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Sustainability information statement

Sustainability information relating the the LWC group is located in the consolidated annual report and financial statements of the parent company Licensed Wholesale Company Limited.

On behalf of the board

E K Mukadam
Director

30 June 2025

LWC DRINKS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present their annual report and financial statements for the year ended 30 September 2024.

Principal activities

The principal activities of the company are 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 12.

No ordinary dividends were paid. The directors do not recommend 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:

R M Gray

E K Mukadam

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company'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. There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in 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 company will be put at a General Meeting.

LWC DRINKS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Energy and carbon report

LWC is steadfast in its commitment to minimising its environmental footprint by actively integrating sustainable practices across its operations. Through continuous efforts to reduce its carbon footprint and environmental impact, the business aims to foster a sustainable future for its local communities, customers, and employees.

For the financial year October 2023-September 2024, LWC has prepared a Streamlined Energy and Carbon Report (SECR) in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. By disclosing annual energy consumption and monitoring environmental performance, the company can analyse trends and implement actions to reduce energy use and associated carbon emissions. Furthermore, reporting also enhances the company's understanding of its environmental impact, enabling the informed development of its sustainability strategy.

For the 2023/24 financial year:

Total energy consumption was: 29,452 MWh
Location-based carbon emissions were: 7,454 tCOe

Transport fuels emerged as the primary contributor, accounting for 85% of total energy consumption and 87% of location-based emissions. Energy consumption increased by 10% compared to the previous financial year, while overall location-based emissions increased by 15%.

To contextualise the business' environmental impact and enable year-on-year comparisons, carbon intensity has been normalised against the number of employees and annual turnover. Both annual turnover and location-based emissions increased during this financial year. As a result, location-based carbon intensity experienced a minimal increase from 10.47 tCOe per £m in 2022/23 to 10.48 tCOe per £m in 2023/24, a rise of less than 1%.

LWC remains dedicated to improving sustainability and operational efficiency. We are targeting transport, our largest source of carbon emissions, by transitioning their company cars and depot machinery to electric and hybrid models.

In 2023/24, the business continued its energy efficiency initiatives, including:

Transition to Electric/Hybrid Fleet: 78% of company cars have been replaced with electric or hybrid vehicles, with plans to reach 100%.

Expansion of Solar Energy: Solar panels have been installed on 4 out of 18 depot roofs, with surveys underway to expand solar provision to all suitable locations.

Recycling Project: A recycling initiative is nearing completion, enabling all cardboard to be recycled and returned for reuse.

Electric-Powered Depot Machinery: Forklifts, counterbalances, and other depot machinery are now mostly battery- or electric-powered.

Energy consumption	2024 kWh	2023 kWh
Aggregate of energy consumption in the year	1,122,124	840,404
- Gas combustion		
- Electricity purchased	3,407,928	3,032,008
- Fuel consumed for transport	24,921,612	22,924,890
	<u>29,451,664</u>	<u>26,797,302</u>

LWC DRINKS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	metric	metric
	tonnes	tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	227.00	153.00
- Fuel consumed for owned transport	6,521.00	5,707.00
	<u>6,748.00</u>	<u>5,860.00</u>
Scope 2 - indirect emissions		
- Electricity purchased	706.00	603.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company	-	-
	<u>-</u>	<u>-</u>
Total gross emissions	<u>7,454.00</u>	<u>6,463.00</u>
<i>Intensity ratio</i>		
Tonnes CO2 per £1m turnover	<u>10.48</u>	<u>10.47</u>

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. Business revenue has been used as an intensity metric.

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.

Prior year restatement

The company has reviewed the methodology and data used to calculate this report and has made some significant variations to the calculation and the costs of operation included within the data. Consequently, we have restated the intensity ratios reported last year for tCO₂/£m from 9.77 to 10.47. This is consistent with the ratio reported this year. We intend to maintain this calculation in future reports.

Energy Consumption & Carbon Impact Breakdown

The breakdown of energy consumption for each fuel source as follows:-

Diesel is the main energy consumer for the business. The business consumed 22,957 MWh of diesel during the 2023/24 financial year. This is equivalent to a location-based carbon impact of 5,789 tCO₂e, approximately 77% of total location-based carbon emissions. Diesel is primarily used for transportation in the company's business activities.

Electricity is the other significant source of LWC's energy, accounting for 12% of total consumption, equivalent to 706 tCO₂e or 9% of the business' total location-based carbon emissions. Electricity is mainly used for lighting, appliances, cooling, operational systems and in some sites heating.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

LWC DRINKS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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 company's auditor 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 company's auditor is aware of that information.

Other information

In accordance with s414 (c) 11 of the Companies Act 2006, the directors have chosen to present certain information relevant to Large & Medium sized companies in the Strategic Report.

On behalf of the board

E K Mukadam
Director

30 June 2025

LWC DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LWC DRINKS LIMITED

Opinion

We have audited the financial statements of LWC Drinks Limited (the 'company') for the year ended 30 September 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2024 and of its 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 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.

LWC DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LWC DRINKS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

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 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.

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 for the audit of the financial statements is located on the FRC's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LWC DRINKS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LWC DRINKS LIMITED (CONTINUED)

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.

Martin Chatten (Senior Statutory Auditor)

For and on behalf of Royce Peeling Green Limited, Statutory Auditor

Chartered Accountants

The Copper Room

Deva City Office Park

Trinity Way

Manchester

M3 7BG

30 June 2025

LWC DRINKS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	711,084,454	609,929,755
Cost of sales		(566,132,567)	(481,201,371)
Gross profit		144,951,887	128,728,384
Administrative expenses		(126,407,719)	(90,615,596)
Other operating income		1,500,000	-
Operating profit	4	20,044,168	38,112,788
Interest receivable and similar income		-	177,207
Interest payable and similar expenses	9	(1,792,267)	(282,889)
Amounts written off investments		-	(497)
Profit before taxation		18,251,901	38,006,609
Tax on profit	11	(3,348,322)	(9,457,551)
Profit for the financial year		14,903,579	28,549,058

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LWC DRINKS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Goodwill	10		3,463,283		4,259,095
Tangible assets	12		94,731,534		78,299,208
Investments	14		58,347,243		49,996,157
			<u>156,542,060</u>		<u>132,554,460</u>
Current assets					
Stocks	18	43,906,120		51,499,417	
Debtors	17	67,111,761		62,227,308	
Cash at bank and in hand		9,563,425		969,178	
		<u>120,581,306</u>		<u>114,695,903</u>	
Creditors: amounts falling due within one year	19	<u>(120,303,077)</u>		<u>(100,806,681)</u>	
Net current assets			<u>278,229</u>		<u>13,889,222</u>
Total assets less current liabilities			<u>156,820,289</u>		<u>146,443,682</u>
Creditors: amounts falling due after more than one year	21		<u>(27,987,680)</u>		<u>(30,887,974)</u>
Provisions for liabilities					
Deferred tax liability	22	3,061,684		4,688,362	
		<u>(3,061,684)</u>		<u>(4,688,362)</u>	
Net assets			<u>125,770,925</u>		<u>110,867,346</u>
Capital and reserves					
Called up share capital	24		1		1
Profit and loss reserves			<u>125,770,924</u>		<u>110,867,345</u>
Total equity			<u>125,770,925</u>		<u>110,867,346</u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2025 and are signed on its behalf by:

E K Mukadam
Director

Company registration number 07677007 (England and Wales)

LWC DRINKS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 October 2022	1	82,318,287	82,318,288
Year ended 30 September 2023:			
Profit and total comprehensive income	-	28,549,058	28,549,058
Balance at 30 September 2023	1	110,867,345	110,867,346
Year ended 30 September 2024:			
Profit and total comprehensive income	-	14,903,579	14,903,579
Balance at 30 September 2024	1	125,770,924	125,770,925

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Company information

LWC Drinks Limited is a private company limited by shares incorporated in England and Wales. The registered office is Greenside Way, Middleton, Manchester, M24 1SW.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of opening/ closing number of shares;
- Section 7 'Statement of Cash Flows';
- Section 11 'Basic Financial Instruments';
- Section 12 'Other Financial Instrument Issues'; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Licensed Wholesale Company Limited which are available from Companies House.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

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

1.3 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.

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses 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.

1.5 Tangible fixed assets

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

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

Land and buildings Freehold	0.3% - 10% straight line
Land and buildings Leasehold	over the period of the lease
Plant & machinery	20 - 25% straight line
Fixtures, fittings & equipment	14 - 33% straight line
Motor vehicles	25% - 33% straight line

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 credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

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.

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies (Continued)

1.8 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.

1.9 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.

1.10 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, loans and loans from related parties and fellow group companies, 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 receipts 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies (Continued)

1.11 Equity instruments

Equity instruments issued by the company 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 company.

1.12 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 company'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. Deferred tax assets and liabilities are offset when the company has 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.

1.13 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.

1.14 Retirement benefits

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

1.15 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 assets 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 lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies (Continued)

1.16 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.

1.17 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 2024. 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 company'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 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/overrides

Provision for purchase rebates and overrides 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.

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2024	2023
	£	£
Turnover analysed by class of business		
From principal activities, entirely in the UK	711,084,454	609,929,755
	<u>711,084,454</u>	<u>609,929,755</u>

4 Operating profit

	2024	2023
	£	£

Operating profit for the year is stated after charging/(crediting):

Fees payable to the company's auditor for the audit of the company's financial statements	70,000	55,000
Depreciation of owned tangible fixed assets	8,275,675	6,363,593
Profit on disposal of tangible fixed assets	(218,550)	(563,145)
Amortisation of intangible assets	1,045,812	1,045,812
Operating lease charges	786,377	670,102
	<u>786,377</u>	<u>670,102</u>

5 Auditor's remuneration

	2024	2023
	£	£

Fees payable to the company's auditor and associates:

For audit services		
Audit of the financial statements of the company	70,000	55,000
	<u>70,000</u>	<u>55,000</u>

6 Employees

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

	2024	2023
	Number	Number
Directors	2	2
Head office	86	117
Depots	1,356	1,225
	<u>1,444</u>	<u>1,344</u>
Total	<u>1,444</u>	<u>1,344</u>

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

6 Employees (Continued)

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	69,572,839	46,423,124
Social security costs	7,934,051	4,839,473
Pension costs	1,115,597	995,581
	<u>78,622,487</u>	<u>52,258,178</u>

7 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	<u>17,228,092</u>	<u>270,088</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024	2023
	£	£
Remuneration for qualifying services	<u>15,039,990</u>	<u>270,088</u>

8 Retirement benefit schemes

	2024	2023
	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>1,115,597</u>	<u>995,581</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

9 Interest payable and similar expenses

	2024	2023
	£	£
Interest on bank overdrafts and loans	146,178	-
Interest on finance leases and hire purchase contracts	81,734	81,734
Other interest	1,564,355	201,155
	<u>1,792,267</u>	<u>282,889</u>

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

10 Intangible fixed assets	Goodwill
	£
Cost	
At 1 October 2023	11,663,677
Additions	250,000
	<hr/>
At 30 September 2024	11,913,677
	<hr/>
Amortisation and impairment	
At 1 October 2023	7,404,582
Amortisation charged for the year	1,045,812
	<hr/>
At 30 September 2024	8,450,394
	<hr/>
Carrying amount	
At 30 September 2024	3,463,283
	<hr/> <hr/>
At 30 September 2023	4,259,095
	<hr/> <hr/>

More information on impairment movements in the year is given in note .

11 Taxation	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	4,975,000	7,596,036
	<hr/> <hr/>	<hr/> <hr/>
Deferred tax		
Origination and reversal of timing differences	178,774	1,861,515
Adjustment in respect of prior periods	(1,805,452)	-
	<hr/>	<hr/>
Total deferred tax	(1,626,678)	1,861,515
	<hr/> <hr/>	<hr/> <hr/>
Total tax charge	3,348,322	9,457,551
	<hr/> <hr/>	<hr/> <hr/>

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

11 Taxation (Continued)

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

	2024 £	2023 £
Profit before taxation	18,251,901	38,006,609
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 22.00%)	4,562,975	8,361,454
Tax effect of expenses that are not deductible in determining taxable profit	200,061	181,969
Effect of change in corporation tax rate	-	263,601
Depreciation on assets not qualifying for tax allowances	152,410	494,604
Amortisation on assets not qualifying for tax allowances	238,328	209,729
Deferred tax adjustments in respect of prior years	(1,805,452)	-
ACA super deduction	-	(53,806)
Taxation charge for the year	3,348,322	9,457,551

12 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant & Fixtures, machinery £	fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 October 2023	55,308,945	11,386,958	6,743,158	14,519,630	19,113,898	107,072,589
Additions	711,021	15,249,380	1,898,058	2,780,522	5,902,002	26,540,983
Disposals	(1,902,812)	(126,802)	(35,000)	(105,647)	(2,089,396)	(4,259,657)
Transfers	(3,488,747)	3,856,905	155,029	141,062	468,849	1,133,098
At 30 September 2024	50,628,407	30,366,441	8,761,245	17,335,567	23,395,353	130,487,013
Depreciation and impairment						
At 1 October 2023	2,294,939	1,638,925	4,229,791	9,526,510	11,083,216	28,773,381
Dep'n charged in year	769,190	679,071	1,245,577	2,312,001	3,269,836	8,275,675
Disposals	(197,812)	(97,325)	(35,000)	(86,825)	(1,977,808)	(2,394,770)
Transfers	272,263	(3,286)	207,995	94,238	529,983	1,101,193
At 30 September 2024	3,138,580	2,217,385	5,648,363	11,845,924	12,905,227	35,755,479
Carrying amount						
At 30 September 2024	47,489,827	28,149,056	3,112,882	5,489,643	10,490,126	94,731,534
At 30 September 2023	53,014,006	9,748,033	2,513,367	4,993,120	8,030,682	78,299,208

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2024	2023
	£	£
Leaschold property	316,805	384,128
	<u>316,805</u>	<u>384,128</u>

13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of tangible fixed assets	1,233,362	-
	<u>1,233,362</u>	<u>-</u>

14 Fixed asset investments

	Notes	2024	2023
		£	£
Investments in subsidiaries	16	58,332,823	49,981,737
Unlisted investments		14,420	14,420
		<u>58,347,243</u>	<u>49,996,157</u>

Movements in fixed asset investments

	Shares in group undertakings	Other investments	Total
	£	£	£
Cost or valuation			
At 1 October 2023	49,981,737	14,420	49,996,157
Additions	8,351,086	-	8,351,086
	<u>58,332,823</u>	<u>14,420</u>	<u>58,347,243</u>
At 30 September 2024	58,332,823	14,420	58,347,243
Carrying amount			
At 30 September 2024	58,332,823	14,420	58,347,243
	<u>58,332,823</u>	<u>14,420</u>	<u>58,347,243</u>
At 30 September 2023	49,981,737	14,420	49,996,157
	<u>49,981,737</u>	<u>14,420</u>	<u>49,996,157</u>

15 Acquisitions

On 28 May 2024 the company acquired 100% of the equity in GBC Topco Limited, the parent undertaking of Glamorgan Brewing Company Limited, an independent drinks distributor based in Wales.

Full details of the acquisition are included in the consolidated financial statements of Licensed Wholesale Company Limited, the company's parent undertaking .

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

16 Subsidiaries

Details of the company's subsidiaries at 30 September 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
H.T. White & Company Limited UK		Non-trading	Ordinary	100.00	
Hills Prospect Holdings Limited UK		Drinks wholesale	Ordinary	100.00	
GBC Topco Limited	UK	Drinks wholesale	Ordinary	100.00	

17 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	50,176,907	48,792,114
Amounts owed by group undertakings	2,861,446	-
Other debtors	10,607,222	10,471,180
Prepayments and accrued income	3,466,186	2,964,014
	<u>67,111,761</u>	<u>62,227,308</u>

18 Stocks

	2024	2023
	£	£
Finished goods and goods for resale	<u>43,906,120</u>	<u>51,499,417</u>

19 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans and overdrafts	23	-	5,715,936
Obligations under finance leases	20	25,271	22,460
Other related party borrowings	23	1,637,419	1,637,417
Trade creditors		53,475,579	56,690,961
Amounts owed to group undertakings		16,808,550	11,983,566
Corporation tax		(4,170,422)	(343,841)
Other taxation and social security		12,372,520	9,287,725
Other creditors		13,468,942	8,850,323
Accruals and deferred income		26,685,218	6,962,134
		<u>120,303,077</u>	<u>100,806,681</u>

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

19 Creditors: amounts falling due within one year

(Continued)

The company has an invoice discounting facility which is secured by way of a fixed and floating charge over the company's property and assets. The facility in use at the year end was in credit and included within cash and bank of £2,043,318 at 30 September 2024 (2023: £5,615,061 included within bank overdrafts and loans).

Other than as set out in Note 29, amounts owed to group undertakings and related parties (other than finance leases), are unsecured, interest free and repayable on demand.

20 Finance lease obligations

	2024	2023
	£	£
Future minimum lease payments due under finance leases:		
Within one year	36,000	36,000
In two to five years	108,000	144,000
	<u>144,000</u>	<u>180,000</u>
Less: future finance charges	(22,271)	(35,811)
	<u>121,729</u>	<u>144,189</u>

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

21 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Obligations under finance leases	20	96,458	121,729
Other related party borrowings		17,508,618	16,536,141
Amounts due to group undertakings		9,617,604	9,617,604
Other creditors		765,000	4,612,500
		<u>27,987,680</u>	<u>30,887,974</u>

Amounts due to group undertakings have no fixed date of repayment, whilst technically repayable on demand it has been confirmed that repayment will not be required within 12 months of the balance sheet date; these amounts are unsecured and interest free.

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2024 £	Liabilities 2023 £
Balances:		
Accelerated capital allowances	3,079,008	4,690,791
Retirement benefit obligations	(17,324)	(2,429)
	<u>3,061,684</u>	<u>4,688,362</u>
		2024
Movements in the year:		£
Liability at 1 October 2023		4,688,362
Credit to profit or loss		(1,626,678)
		<u>3,061,684</u>

Deferred tax has been calculated at 25% at the balance sheet date on the basis that the legislation was substantially enacted at that time.

23 Loans and overdrafts

	2024 £	2023 £
Bank overdrafts	-	5,715,936
Loans from group undertakings	12,861,945	10,112,808
Loans from related parties	6,284,092	8,060,750
	<u>19,146,037</u>	<u>23,889,494</u>
Payable within one year	1,637,419	7,353,353
Payable after one year	17,508,618	16,536,141

24 Share capital

	2024 £	2023 £
Ordinary share capital Issued and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

LWC DRINKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

25 Financial commitments, guarantees and contingent liabilities

The company's bank borrowing facilities are secured by way of cross-guarantee between the following related parties: Licensed Wholesale Company Limited, Dorbiere Limited and Robinrate Limited, and by a first legal charge over a number of the properties owned by these entities. The company has similarly cross guaranteed the bank borrowings of those entities. The amount outstanding under these facilities at 30 September 2024 was £Nil (2023: £Nil).

26 Operating lease commitments: lessee

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

	2024	2023
	£	£
Within one year	1,121,665	998,596
Between two and five years	4,311,244	5,322,909
In over five years	12,075,486	13,437,732
	<u>17,508,395</u>	<u>19,759,237</u>

27 Directors' transactions

Dividends totalling £0 (2023 - £0) were paid in the year in respect of shares held by the company's directors.

At 30 September 2024, the company owed £158,849 (2023: £492,342) to the Directors.

28 Ultimate controlling party

Licensed Wholesale Company Limited is considered to be the ultimate parent company. Consolidated financial statements for Licensed Wholesale Company Limited are available from Companies House.

The ultimate controlling parties of Licensed Wholesale Company Limited are R M Gray and E K Mukadam.

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.

Other creditors includes balances with the following related parties:

On 1 August 2023 the company received a loan of £8,200,000 from the Dorbiere Directors Pension Benefit Scheme. The loan is repayable in equal monthly instalments over a period of five years, bears interest at 1.5% above the Registered Pension Schemes (Prescribed Interest Rates for Authorised Employer Loans) Regulations 2005 and is secured. During the year interest charges of £483,004 (2023: £88,347) were incurred in respect of this loan. The Directors are beneficiaries of the Scheme.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.