Matthew Clark (Scotland) Limited

Directors' report and financial statements

Registered number SC039321
For the year ended 29 February 2012



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Directors' report

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 29 February 2012.

Sale of net assets

On 2nd August 2010, the Company completed a net asset sale to Dollar Trade Limited for £3,370,477 and ceased trading from that date. The Company is now dormant.

Results and dividends

The profit after tax for the year was £Nil *(2011: profit of £124,000).*

The Directors do not recommend the payment of a dividend *(2011: £Nil).*

Charitable contributions

Charitable contributions made by the Company during the year amounted to £Nil *(2011: £Nil).*

Directors

The following Directors served during the year or were appointed post year-end:

T Christensen (resigned 30 April 2012)
S Dando
J Lousada
D Phillips
Neil Truelove (appointed 30 April 2012)

Statement of disclosure to auditor

The Directors who held office at the date of approval of the Directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

S Dando
Director

The Ca'D'Oro
45 Gordon Street
Glasgow
Scotland
G1 3PE

21 June 2012

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

Independent auditor's report to the members of Matthew Clark (Scotland) Limited

We have audited the financial statements of Matthew Clark (Scotland) Limited for the year ended 29 February 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion upon, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2012 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Matthew Clark (Scotland) Limited
(continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



AC Campbell-Orde (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

21 June 2012

Profit and Loss Account
for the year ended 29 February 2012

	Note	2012 £000	2011 £000
Turnover – discontinued activities	*2*	-	8,603
Cost of sales		-	(7,133)
Gross profit		-	1,470
Distribution costs		-	(384)
Administrative expenses		-	(1,059)
Operating profit – discontinued activities		-	27
Profit on disposal of discontinued activities	*4*	-	114
Profit on ordinary activities before taxation	*3-5*	-	141
Tax on profit on ordinary activities	*6*	-	(17)
Profit for the financial year	*10*	-	124

No statement of historical cost profits and losses is included as there is no material difference between the historical cost profits and losses and the reported profits and losses in either the current or the prior year.

All operations are discontinued.

Balance Sheet
at 29 February 2012

	Note	2012		2011	
		£000	£000	£000	£000
Current assets					
Debtors	7	**6,070**		6,070	
Cash at bank and in hand		**102**		102	
		6,172		6,172	
Net current assets			**6,172**		6,172
Net assets			**6,172**		6,172
Capital and reserves					
Called up share capital	8		**1,100**		1,100
Share premium account	9		**169**		169
Capital redemption reserve	9		**180**		180
Special capital reserve	9		**3**		3
Capital contribution	9		**68**		68
Profit and loss account	9		**4,652**		4,652
Shareholders' funds	10		**6,172**		6,172

These financial statements were approved by the board of Directors on 21 June 2012 and were signed on its behalf by:

S Dando
Director

Registered number SC039321

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of fixed assets.

Under FRS1 (revised), the Company is exempt from the requirement to prepare a cash flow statements on the grounds that a parent undertaking includes the Company in its own published financial statements (see note 15).

As the Company is a wholly owned subsidiary of Matthew Clark (Holdings) Limited, the Company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group. The consolidated financial statements of Matthew Clark (Holdings) Limited can be obtained from the address given in note 14.

Going concern

The Company's funding is based on the financing for the group headed by Matthew Clark (Holdings) Limited (the "Group") over which there are cross guarantees as described in note 11. This funding is in place until June 2015. The Directors have prepared cash flow forecasts and while the nature of the Group's business means that there can be unpredictable variation in the timing of cash flows, taking account of reasonably possible changes in the Group's performance, the Director's have concluded that the Group should be able to operate within the level of its current facilities.

In preparing these forecasts, the Directors have taken into account various risks and uncertainties. The principal areas of risk and uncertainty are the impact of the wider economic climate on the achievement of operating targets, in particular projected revenue and gross margins. In addition to these risks and uncertainties, the Group's performance is also impacted by financial and credit risks. The Board has a documented policy to manage these risks.

After making enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes *(continued)*

1 Accounting policies *(continued)*

Post-retirement benefits

The Company participates in a Group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. See note 12 for further information on the treatment of this scheme.

For money purchase schemes, the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Turnover

Revenue from the sale of goods includes excise and import duties which the Company pays as principal but excludes amounts collected on behalf of third parties, such as value added tax. Sales are recognised depending upon individual customer terms at the time of despatch, delivery or some other specified point when the risk of loss transfers. Provision is made for returns where appropriate. Sales are stated net of price discounts, allowances for customer loyalty and certain promotional activities and similar terms.

2 Analysis of turnover and profitability

The whole of the turnover and profit on ordinary activities before taxation relates to the Company's business of wholesale wine and spirit merchants.

Turnover consists of sales in the United Kingdom arising from the Company's principal activity. There are no significant sales to customers outside the UK.

Notes *(continued)*

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2012 £000	2011 £000
Depreciation	-	10

	2012 £000	2011 £000
Auditor's remuneration:		
Audit of these financial statements	-	4

Amounts receivable by the Company's auditor in respect of the audit of these financial statements of £1,000 *(2011: £4,250)* are paid on the Company's behalf by another Group Company.

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent.

4 Exceptional items

	2012 £000	2011 £000
Profit on disposal of discontinued operations	-	114

5 Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the period was as follows:

	Number of employees 2012	2011
Sales, marketing and distribution	-	23
Administration	-	7
	-	30

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2012 £000	2011 £000
Wages and salaries	-	584
Social security costs	-	53
Other pension costs (see note 12)	-	64
	-	701

The directors' remuneration was borne by a fellow Group company in both the current and prior year.

6 Tax on profit on ordinary activities

The tax charge comprises:

	2012 £000	2011 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	17
Total deferred tax (see note 7)	-	17
Total tax on profit on ordinary activities	-	17

Notes *(continued)*

6 Tax on profit on ordinary activities *(continued)*

Factors affecting the tax charge for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax, is as follows:

	2012 £000	2011 £000
Profit on ordinary activities before taxation	-	141
Tax on profit on ordinary activities at standard UK corporation tax rate of 26.17% *(2011: 28%)*	-	39
Effects of:		
Expenses not deductible for tax purposes	-	70
Profit on disposal of property	-	(111)
Capital allowances in excess of depreciation	-	(14)
Movement in short term timing differences	-	(3)
Post cessation expenses carried forward	-	12
Chargeable gains	-	37
Group relief not paid for	-	(30)
Current tax charge for the year	-	-

7 Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	6,003	6,003
Other debtors	67	67
	6,070	6,070

The movement on deferred tax during the year has been as follows:

	2012 £000	2011 £000
At the beginning of the year	-	17
Charged to the profit and loss account (see note 6)	-	(17)
At the end of the year	-	-

Notes *(continued)*

8 Called up share capital

	2012 £000	2011 £000
Authorised		
4,250,000 ordinary shares of 40p each	1,700	1,700
Allotted, called up and fully paid		
2,750,000 ordinary shares of 40p each	**1,100**	1,100

9 Reserves

	Share premium account £000	Capital redemption reserve £000	Special capital reserve £000	Capital contribution £000	Profit and loss account £000
At beginning and end of year	**169**	**180**	**3**	**68**	**4,652**

10 Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Profit for the financial year	-	124
Net change in shareholders' funds	-	124
Opening shareholders' funds	**6,172**	6,048
Closing shareholders' funds	**6,172**	6,172

Notes *(continued)*

11 Contingent liabilities

The Company is a member of the Group VAT registration and is therefore jointly liable for the other Group companies' outstanding net VAT liability of £7,215,000 *(2011: £6,652,030).*

The Company and certain other Group undertakings have entered into a Composite Accounting Agreement under which Barclays Bank Plc may offset money standing to the credit of any company within the agreement against any indebtedness to the bank of a company within the agreement. The contingent liability at 29 February 2012 of the Company in respect of guarantees given to secure the banking facilities of other Group undertakings was £1,853,000 *(2011: £4,225,610).*

12 Pensions

The Company operated a defined contribution scheme. The assets of the scheme held separately from those of the Company, being invested with insurance companies. The pension cost charge represented contributions payable by the Company to the fund and amounted to £Nil *(2011: £21,000).*

13 Related party disclosures

During the year the Company entered into transactions with companies in the groups headed by CHAMP III Management Pty Limited and Punch Taverns Plc.

a) **Transactions with the CHAMP III Management Pty Limited group**

- The Company purchased goods of £Nil *(2011: £379,000)* and services of £Nil *(2011: £98,000)* from CHAMP III Management Pty Limited group;
- The Company made sales of £Nil *(2011: £Nil)* to CHAMP III Management Pty Limited group; and
- The balance owing from the company to CHAMP III Management Pty Limited group at 29 February 2012 was £Nil *(2011: £Nil)*.

b) **Transactions with the Punch Taverns Plc group**

- The Company purchased goods of £Nil *(2011: £Nil)* and services of £Nil *(2011: £Nil)* from Punch Taverns Plc;
- The Company made sales of £Nil *(2011: £Nil)* to Punch Taverns Plc; and
- The balance owing from Punch Taverns Plc to the company at 29 February 2012 was £Nil *(2011: £Nil)*.

14 Ultimate parent undertaking

The Company's immediate parent undertaking is Matthew Clark (Holdings) Limited, the consolidated financial statements of which are available from Accolade House, The Guildway, Old Portsmouth Road, Guildford GU3 1LR.

Matthew Clark (Holdings) Limited is jointly owned by Hertford Cellars Limited, a company incorporated in England and Wales, and Punch Taverns (Finco) Limited, a company incorporated in England and Wales.

On 29 July 2011 Punch Taverns (PGE) Limited sold its shares in Matthew Clark (Holdings) Limited to Punch Taverns (Finco) Limited. Punch Taverns (Finco) Limited's ultimate parent undertaking and controlling party is Punch Taverns plc, a Company incorporated in England and Wales.

The ultimate parent undertaking of Hertford Cellars Limited is Accolade Wines Holdings Europe Limited (formerly Vincor UK Limited), a company incorporated in England and Wales. 80.1% of the issued share capital of Accolade Wines Holdings Europe Limited is owned by funds managed or advised by CHAMP III Management Pty Limited.